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# *Distance Learning & Telemedicine Program*

*Grant Application Guide  
Fiscal Year 2006*



Rural Development  
United States Department of Agriculture

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# **Distance Learning and Telemedicine Grant Program**

## **Administered under Rural Development's Telecommunications Program**

Advanced telecommunications services play a vital role in the economic development, education and health care of rural Americans. The Distance Learning and Telemedicine (DLT) Program is specifically designed to meet the educational and health care needs of rural America through the use of advanced telecommunications technologies. With DLT grants, loans, and loan-grant combinations, we help rural communities enjoy enhanced educational opportunities, improved health care services and greater economic development.

Our partnership with rural America is long-standing. For over 55 years, the Telecommunications Program has been at the forefront of providing the infrastructure financing that brought advanced telecommunications services to the most rural areas of our country. Today, Rural Development's Telecommunications Program continues as an essential source of financing and technical assistance for rural telecommunication systems. The DLT Grant Program strengthens that partnership and commitment by continuing to improve the quality of life for rural citizens.

Through its telecommunications infrastructure loan program and DLT Program, we have helped build community partnerships that provide both the infrastructure needed to reach the schoolhouse or clinic door and the equipment required inside that door.

Your organization is to be commended for its interest in providing rural residents - students, teachers, parents, patients and physicians - with innovative and affordable educational and health care opportunities which were once only available in urban areas. By submitting an application for financing under the DLT Program, you take a significant step toward improving the quality of life in rural America.

In this guide, you will find information on eligibility requirements; funding purposes and types of financial assistance; the how, when, and where to submit an application; and tips that will be useful in preparing your application.

## Section I - General Information

This application guide will help you apply for a grant under the DLT Program. Where appropriate, the application guide includes suggestions and samples. Please note that the suggestions and samples are not a formula for a successful application. We urge you to use your unique understanding of your community and your project to prepare a compelling case for grant financing.

We endeavor to make this *Application Guide* a complete source of information on how to prepare a successful application and have designed it for the first-time applicant with no previous experience applying for grants. We hope that you will find it helpful.

### A. Types of Financial Assistance

The DLT Program provides three kinds of financial assistance.

1. 100% Grant
2. Combination Loan-Grant
3. 100% Loan

The eligible purposes for 100% grants are the most restrictive. More purposes are eligible under the combination loan-grant and even more are eligible for a 100% loan. This guide covers the application requirements for a 100% grant. If your project includes purposes not eligible under the 100% grant program, please review the *Loan and Combination Loan-Grant Application Guide* and consider one of those financing options.

### B. Fiscal Year 2006 Funding

The amount available for 100% grants is \$20 million. The maximum grant is \$500,000 and the minimum is \$50,000.

## C. Who's Eligible?

To be eligible for a grant, your organization must:

1. Currently deliver or propose to deliver distance learning or telemedicine services for the term of the grant. The DLT program is focused on sustainability. Planning studies, research projects, and short-term demonstration projects of less than two years will not be considered.
2. Be legally organized as an incorporated organization or partnership; an Indian tribe or tribal organization; a state or local unit of government; a consortium; or other legal entity, including a private corporation organized on a for profit or not-for profit basis with the legal capacity to contract with the United States Government. Please see 7 CFR 1703.103(a)(1) & 1703.125(k) for specific legal definitions and citations.
3. Operate a rural community facility or deliver distance learning or telemedicine services to entities that operate a rural community facility or to residents of rural areas at rates calculated to ensure that the benefit of the financial assistance passes through to such entities or to residents of rural areas.

**Note:** Electric or telecommunications borrowers financed through the Utilities Programs of Rural Development are not eligible for grants, but are eligible for loans. See the *Loan and Combination Loan-Grant Application Guide* for more information.

## D. Scoring Criteria

The DLT Grant Program is competitive. Applications are scored in **objective** and **subjective** categories. Objective criteria are generally straightforward indicators. Subjective criteria are more comparative in the sense that the score of one application is based on comparison to other applications received that year.

For each category, these tables display the shorthand name in bold, a simple summary, and the maximum points available. Although the eight categories appear to add to a maximum score of 235, the maximum score that can actually be earned is 225 points. This is because the *Additional NSLP* points are available only to applicants who score 15 or fewer of the 35 points possible under the *NSLP* category. More detailed descriptions of the scoring categories can be found in Section IV of this *Application Guide*.

### Objective Criteria

Rural Area ( <i>Rurality</i> )	This criterion measures how rural the area is. To be eligible for a grant, the applicant must earn a minimum score in this category based on data from the Census. (up to 45 Points)
Economic Need ( <i>NSLP</i> )	This criterion measures the general economic need of the area through the use of statistics from the National School Lunch Program (NSLP). (up to 35 Points)
Special Communities ( <i>EZ/EC</i> )	This criterion awards points to projects located in a USDA Empowerment Zone/Enterprise Community (EZ/EC) and/or Champion Community. (up to 15 Points)
Matching Funds ( <i>Leveraging</i> )	The DLT program requires a minimum match of 15%. Higher matches receive additional points. There are special matching provisions for American Samoa, Guam, Virgin Islands, and the Northern Mariana Islands. (up to 35 Points)

### Subjective Criteria

<i>Additional NSLP</i>	An applicant with an NSLP eligibility below 50% may request additional points based on a well-documented demonstration that the NSLP percentage is not an accurate indicator of the economic need of the area. (up to 10 Points)
Need for Services and Project Benefits ( <i>Needs and Benefits</i> )	This criterion measures the specific needs of the community and how the proposed project will meet those needs, not the generalized need captured by the NSLP score. (up to 45 Points)
<i>Innovativeness</i>	This criterion assesses how the objectives of the proposed project are met in new and creative ways. (up to 15 Points)
<i>Cost Effectiveness</i>	This criterion evaluates the efficiency with which the proposed project delivers educational and medical benefits to beneficiaries. (up to 35 Points)



## **E. Contacts & the Web**

The DLT Program staff is available to answer questions about the application process and program requirements. We also post the latest DLT developments including the FY 2006 *Application Guide*, *Toolkit*, regulation, and *Notice of Funds Availability* on the DLT Web page.

[www.usda.gov/rus/telecom/dlt/dlt.htm](http://www.usda.gov/rus/telecom/dlt/dlt.htm)

Contact us at:

Phone: 202-720-0413

Fax: 202-720-1051

Email: [dltinfo@wdc.usda.gov](mailto:dltinfo@wdc.usda.gov)

## **F. Freedom of Information Act**

Should your organization win an award, your application must be made available to others if requested under the provisions of the Freedom of Information Act (FOIA). Under FOIA, some sensitive information is protected from release, but the balance is not. Costs to assemble and duplicate the material are charged to the entity that requests the information. If you provide any information in your application that you feel should be protected, please identify it, and provide justification for why it should be withheld. For more information about FOIA see:

[www.usda.gov/news/foia/main.htm](http://www.usda.gov/news/foia/main.htm)

It is our experience that the common motivation for obtaining a DLT application under FOIA is so that it can be used as a template. We do not believe that this is a productive approach to crafting a successful DLT application. Disregarding the cost of obtaining another applicant's grant under FOIA, which can be considerable, most of that application would be irrelevant as guidance to a prospective applicant. And while it might seem useful to see another's responses in the subjective scoring categories, the best scores in those categories are earned for responses specific to the applicant's project.

Good applications do not spring from a template. As noted above, we endeavor to make this *Application Guide* a complete source of information on how to prepare a successful application and have designed it for the first-time applicant with no previous experience applying for grants. As an applicant, remember that no one knows your project and special circumstances as well as you. As a consequence, no one can do a better job of crafting an application than you.

## Section II - Application Submission

### A. DLT Program Regulation and FY 2006 Application Guide

The implementing regulation for the DLT Program is 7 CFR 1703, Subparts D through G (Part 1703) as supplemented by the FY 2006 Notice of Funds Availability (NOFA) and as elaborated upon in this *Application Guide*. The *Guide* is designed to be an easy-to-use version of Part 1703 and the NOFA.

#### Application Review Process Changes

##### **Eligibility and Scoring Information to be Complete by Application Deadline**

The regulation requires that a “complete” application contain certain information and that it be submitted by the application deadline. It also allots the Agency ten days to review all the applications for “completeness” and request any missing information. The applicant is allotted fifteen days to respond to this request. We refer to this as the “completeness review process.”

By 2005, our completeness review process had unintentionally evolved to a point where we would request and allow an applicant to submit practically anything after the application deadline. As a consequence, we received few complete applications ready for scoring. A process in which approximately three-fourths of all applications were incomplete, and where most were missing critical information required by the regulation, is administratively impossible to support if we are to award grants fairly and in a timely manner.

What is the actual intent of the DLT regulation? The section on “completed application” (§1703.125) does not specify the types of information that can be submitted after the deadline as part of the completeness review process or explain why an application must include specific items and information to be “complete” but that if it does not, we will request such information to make it “complete.”

Evidence elsewhere in the regulation shows that it was not intended that any and all information could be submitted after the deadline. Fundamental information such as that necessary to establish eligibility to enter the scoring pool and for the scoring itself are expected to be in the original application, not in information submitted after the deadline as part of the completeness review. This is confirmed by §1703.129 which concerns an applicant’s right to appeal their score. In that section it states that an appeal must be based on inaccurate scoring of the application and “no new information or data that was not included in the original application will be considered.” If we cannot consider any information “not included in the original application” on appeal, why would we request it as part of the completeness review? If information “not included in the original application” is not a basis for an appeal, it follows that it is also not a basis for scoring.

There is also evidence in the regulation that we expect most applications to be complete as submitted, and that those that are not will be substantially complete. The evidence for this is the

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ten day period we allotted ourselves to review all the applications and request information. In recent years, the volume of applications and the amount of required material missing from them has prevented us from coming close to meeting that ten day requirement.

In a grant program based on competition in which every applicant should have an equal chance, it is necessary to require applicants to submit information necessary for establishing their eligibility for the program, for the eligibility of their project, and for determining their score by the application deadline. To do otherwise gives applicants who do not follow the rules an unfair advantage by allowing them to demonstrate their eligibility and perfect their score after the deadline. This is not fair to applicants who submitted a proper application by the deadline according to the rules. And if we offer late submission to some applicants, to be fair, we would have to offer this to every applicant (and potential applicant) who might have been able to demonstrate their eligibility or improve their score if given additional time. This would delay the award process even further.

In our continuing effort to make certain that all applications receive fair and equal consideration, all information necessary for establishing eligibility for the program, for the eligibility of the project, and for determining the score must be submitted by the application deadline. We will not request such information after the deadline as part of the completeness review process.

So that there is no ambiguity about what is required by the application deadline, this *Application Guide* has been thoroughly revised, expanded, and cross referenced so that you will know precisely what to include in your application. The three thumbnails that follow give a brief description of how applications will be reviewed:

1. Applications whose eligibility cannot be determined because they did not submit information sufficient to evaluate their project and establish that they meet the minimum set of requirements as specified in the relevant rules (7 CFR 1703, the 2006 Notice of Funds Availability, and as elaborated upon throughout this *Guide*) will be returned as ineligible. In short, this means the applicant must submit a properly executed SF-424, documentation of legal eligibility, consistent site information, a *Telecommunications System Plan*, a *Budget*, *Rurality* information, and a certification of non-duplication that will allow us to determine whether the applicant is eligible for the DLT Program and proposes a coherent project with eligible purposes.
2. Information not necessary for determining eligibility but necessary for scoring must also be submitted by the application deadline. If scoring information is missing, the application will be scored based on the information submitted by the deadline. In short, this includes the responses to all scoring categories.
3. Applications should be complete when submitted. However, information not necessary for determining the applicant's eligibility and score but necessary for earning a grant will be requested as part of the completeness review process.

### **Application Format Must Be Followed**

In Fiscal Year 2005, the requirements of the regulation were reorganized in the *Application Guide* for ease of use and to provide better guidance based on Program experience. In particular, the organization of Section IV, *Requirements of a Complete Application*, precisely follows the order in which the application is to be assembled as described in Section V, *Putting It All*

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*Together.* To speed the grant award process in 2006, each application must follow the required format. Applications not presented in this format will be returned as ineligible. Please submit your application in an appropriately sized three-ring binder with tabbed dividers as described below and throughout the *Application Guide*.

Also, the volume of DLT applications makes it impractical for reviewers to search through the entire application to find required information. **All information relevant to a section must be included under that section.** Information contained elsewhere in the application will not be considered and cannot be a basis for a scoring appeal. For example, the only information that reviewers will consider in scoring *Needs and Benefits* is information which the applicant provides under Tab F-2, *Needs and Benefits*. If the applicant believes that information in another section (such as the *Telecommunications System Plan*) is relevant to the *Needs and Benefits* category, the information should be repeated under that category.

### New Worksheets

In an effort to make certain that applicants know exactly what to submit and that it is submitted in a form that will speed the grant award process, we have added several worksheets to the *DLT Grants Toolkit*. These include a *Site Worksheet* (attachment to the SF 424) and Budget Worksheets. (See the *Toolkit* for all the worksheets and forms you need to complete your application.)

### Consistent Site Information

DLT Grants are awarded as a result of a competition based on scoring. The nature and location of the sites in a DLT project are the basis for that competition. **Sites must be consistent throughout the application.** Otherwise, the application cannot be properly evaluated as to eligibility or score. **Applications without consistent site information will be returned as ineligible.** In particular, the sites must be consistent throughout the application including the:

1. **Standard Form 424, Application for Federal Assistance** (Tab A of your application). The applicant provides the most detailed site information on the *Site Worksheet* as an attachment to the SF 424. This includes the precise name and location of the site. If the applicant wishes to use a shortened name for a site, the abbreviation must be shown here and that abbreviation must then be used consistently throughout the application.
2. **Telecommunications System Plan** (Tab D-1)
3. **Budget** (Tab D-2)
4. **Rurality Worksheet** (Tab E-1)
5. **NSLP Worksheet** (Tab E-2)

Sites are distinguished by benefit that flows to the site. In short:

**Hub** - A source of benefits. No benefits from the proposed DLT project flow to a pure hub. As a consequence, Hubs are not included in the *Rurality* and *NSLP* scoring calculation. However, the applicant should submit population and school lunch program data for these sites so that the scores can be reevaluated in the event the Agency determines that a site shown by the applicant as a hub is actually a hub/end user.

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**Hub/End-User** - A source of benefits that flow to other sites but a site that also receives distance learning or telemedicine benefits from other sites or from facilities placed at that site. For scoring purposes, Hub/end-users and end-users are identical.

**End-User** - A receiver of distance learning or telemedicine benefits.

(See page 22 of this *Application Guide* for extended discussion of how to categorize sites in your application.)

### Proof of Shipping

Paper applications that are not delivered into our hands by the application deadline must carry proof-of-shipping by the application deadline from a third-party shipper such as a commercial carrier or the postal service. Other indications, such as a printed label from a postage meter, do not constitute proof-of-shipping. (See page 11 for information on submitting your application.)

### Apportioning DLT Project Benefit

In years past, we provided no method for apportioning costs. In particular, grant and match can not be used for ineligible purposes. If any portion of a line-item was for an ineligible purpose, the entire line item was ineligible for grant or match. An example of this is a software package that includes both eligible and ineligible purposes. This year, applicants are advised to obtain vendor pricing that apportions the eligible and ineligible purposes into separate line-items so that the eligible portion of an item can be funded by grant or match.

Also, there are items that while not used for any specifically identified ineligible purpose, will not be used predominantly for purposes which meet the grant definition of distance learning or telemedicine (DLT purposes). In some cases, only a small portion of an item's use will be for DLT purposes. It is not an effective use of scarce grant dollars to fund such items in full. Neither is it reasonable to credit the entire amount as a match. This year, for line items that are not predominantly (50% of use or more) for DLT purposes, we will allow applicants to propose that the portion attributable to DLT purposes be eligible for grant or match. (See page 24 for detail on apportioning DLT project benefit.)

### Third-Party Procurement

All items to be funded with match or grant must be obtained from an organization other than the applicant or other entities participating in the applicant's DLT project as hubs, hub/end-users, or end-users, *i.e.*, items must be procured from a third party. In prior year's *Application Guides*, third party procurement explicitly applied to category 2 (acquiring instructional programming) and category 3 (technical assistance and instruction) items because it was in these categories that applicants had requested to provide the items themselves. However, the logic that led us to state this restriction for category 2 & 3 items applies equally to category 1 (equipment). There are a number of regulatory requirements that make this the only practical way to administer the DLT program. (This is discussed more completely elsewhere in the *Application Guide*. See page 19 for detail on third party procurement.)

### Matching Funds from Vendors, Manufacturers and Other Interested Parties

The regulation (7 CFR 1703) specifically states that in-kind items must have an “established monetary value” and that “manufacturer’s or service provider’s discounts are not considered in-kind matching.” Because the purposes for grant and match are identical, a discount cannot be considered a cash match either. The reason for not considering discounts is that, in the world of telecommunications, list prices are nominal. They are not an established monetary value. Actual prices are flexible and it is impossible for us to evaluate whether a discount has an actual established monetary value. The same logic applies to any proposed match (cash or in-kind) from a manufacturer, vendor, or other service provider that stands to benefit from the grant or match funds through the prospective sale of equipment or services. A match from one of these entities is indistinguishable from a discount and impossible to evaluate as to its value. As a consequence, we will not accept cash or in-kind matching funds from manufacturers, vendors, or service providers whose equipment or services will be used in the project. (See pages 43-45 for detail on matching funds and the *Leveraging* score.)

### In-Kind Matching Funds from Applicant and Participating Sites

The regulation explicitly conveys the expectation that cash will be the usual method of leveraging when it states that “matching contributions must generally be in the form of cash.” Cash is unambiguous and can be applied to any eligible item in the budget. During review of an application, if the Agency were to determine that some items in the budget are ineligible, the removal of those items would not lower the dollar value of the applicant’s proposed match.

In-kind matches are also acceptable under the regulation, but we do not recommend that the applicant or other sites participating in the project propose them. In-kind matches must be closely scrutinized to determine if they are integral to and necessary for DLT purposes, not simply a technology purchase made in the same timeframe. Unlike cash, in-kind matches are tied directly to the eligibility of the proposed in-kind item. Should we determine that the item is not eligible, the item would be removed from the grant and match budget and the proposed match would disappear with it. This may lead to a lower *Leveraging* score than you expected to earn. If the reductions were to lower your eligible match below 15%, your application would be ineligible for the DLT competition.

As a practical matter, there is no compelling reason for an applicant to propose an in-kind match. Because items acquired before the application deadline are not eligible for grant or match, any items that the applicant would propose as an in-kind match must be obtained with cash after the application is submitted. In other words, when an applicant proposes an in-kind match, it is in effect committing cash with which the proposed in-kind item will be purchased at some point after the deadline. (See pages 43-45 for detail on matching funds and the *Leveraging* score.)



## **B. FY 2005 Application Deadline – June 12, 2006**

All applications must either be delivered and in our hands or have third-party proof of shipping (or electronic submission, if applicable) by the June 12, 2006 application deadline to be eligible for funding under the FY 2006 DLT program. **Applications will not be accepted by fax or e-mail. Late applications will be returned without being considered for funding.**

## **C. How to Submit a Paper Application**

Paper applications must either be delivered and in our hands by the application deadline or show proof-of-shipping **no later than the application deadline**. The proof-of-shipping must be from a third party such as the Postal Service or a commercial carrier. Evidence of shipping not under direct control of such a third party, such as a **printed label from a postage meter, does not constitute proof-of-shipping**. The following proofs are acceptable:

- A legibly dated U.S. Postal Service postmark
- A legible mail receipt with the date of mailing stamped by the USPS
- A dated shipping label, invoice, or receipt from a commercial carrier

**Ship an original and two copies of your application to:**

**Director, ASD  
Telecommunications Program, STOP 1550, Room 2845  
1400 Independence Ave., SW  
Washington, D.C. 20250-1550**

Note: Packages arriving at USDA via ordinary first-class mail (USPS) are irradiated, which can damage the contents. We encourage you to consider the impact of this procedure in selecting your shipping method.

## **D. How to Submit an Electronic Application**

We accept electronic applications submitted by the deadline though we may request original signatures on paper later. Use the Federal government's e-grants web site (Grants.gov):

[www.grants.gov](http://www.grants.gov)

**If you want to submit an application on-line, we strongly encourage you to obtain all the necessary sign-ups, credentials and authorizations well in advance of the deadline.** You will need a Central Contractor Registry (CCR) registration before you can submit electronically. In

addition, Grants.gov requires some one-time credentialing and online authentication procedures. These procedures may take several business days to complete.

Please follow the instructions at Grants.gov. If you experience a technical problem retrieving or submitting an electronic application, make the Grants.gov customer support resources your first stop (click the “Customer Support” tab on any page of Grants.gov to get started). Our staff has no control of Grants.gov or ability to assist with technical problems.

In past years, applicants attempting to use the Grants.gov website near the application deadline have experienced technical difficulties and delays. **If you plan to use electronic submission close to the application deadline, we urge you to have an alternative plan for physical shipment of your application in the event you experience similar problems.**

### Section III - Application Process

#### A. Review Process

The Agency reviews each on-time grant application for completeness to determine whether it includes all items required by the regulation. If the application is complete, the applicant will be so informed. **Eligibility and scoring information will not be requested after the application deadline. Applications that do not meet the minimum set of requirements as specified in the relevant rules (7 CFR 1703 and the 2006 Notice of Funds Availability) and as elaborated upon throughout this *Application Guide* will be returned as ineligible. Applications will be scored only on information submitted by the application deadline.**

In cases where we have minor questions about an item, we may request clarification. Also, missing information not necessary for determining eligibility or scoring, but necessary for the award of grant will be requested. The applicant has fifteen calendar days to deliver a response to this request. If that response is satisfactory to the Agency, the applicant will be informed that its application is complete. If not, the application will be returned as ineligible. All complete applications are scored as described in the regulation and this *Guide*.

#### B. Appeal Process

After scoring, the Agency will notify you in writing of your preliminary score. We will also include an estimate of the minimum score necessary to receive a grant. We stress that this threshold score for funding is an estimate that can go up or down depending on several factors including appeals (as described below) and budgetary factors that cannot be known with certainty at the time the estimated score is reported to you. If your preliminary score is below



the threshold, it does not mean that you have been denied a grant. Conversely, if your score is above the threshold, it does not ensure that you will receive a grant.

You have the right to appeal your preliminary score. For an appeal to receive consideration, you must **deliver your appeal into our hands in writing within ten calendar days** of the date our correspondence informing you of your preliminary score. We cannot consider information that was not part of the application as submitted by the deadline so do not submit such additional information in support of your appeal. To be successful, the applicant must demonstrate that the Agency made a scoring error based on the application as submitted by the deadline.

### C. Grant Awards

Following the appeals process, we rank applications by their final scores. Applications are selected for funding based on scores, availability of funds, and 7 CFR 1703.127.

Regardless of the number of points your application receives, the Administrator may take any of the following actions:

1. Limit the number of applications selected for projects located in any one State during a fiscal year.
2. Limit the number of selected applications for a particular project.
3. Select an application receiving fewer points than another application if there are insufficient funds during a particular funding period to select the higher scoring application. If the Administrator makes this kind of selection and it affects your application, we will provide you an opportunity to reduce the amount of your grant request to the amount of funds available.

## Section IV - The Complete Application

### Tips:

- **An application that does not include each required item listed in this section cannot be evaluated and will be returned as ineligible. An application that does not include required scoring information will be scored as is.**
- Before you begin to work on your application, read the entire *Application Guide* so that you have an overall sense of what is expected.
- Use the 2006 *Grant Application Guide Toolkit (Toolkit)*. It contains all the forms, worksheets, and sample certifications that you will need to assemble

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your application. In addition to being included with the printed version of the *Application Guide*, you can find the *Toolkit* at the DLT Web site.

[www.usda.gov/rus/telecom/dlt/dlt.htm](http://www.usda.gov/rus/telecom/dlt/dlt.htm)

- When you prepare your application, **try to imagine that you are the Agency reviewer** responsible for making certain that the competition is fair and that the federal funds designated for this program accomplish the goals of the program. In every section, **provide the level of detail and support that would satisfy you** if you were that reviewer. For example, reviewers are unlikely to have first-hand knowledge regarding your specific locale or circumstances so always provide source documentation to substantiate the information in your application.
- Avoid upholstering your application with generic information concerning the value of distance learning or telemedicine (such as magazine articles and web page print-outs). We are well aware of how these technological solutions can benefit rural areas. Concentrate instead on the specifics of your project. Along the same line, remember that only rural areas qualify for this program and other applicants will share the general characteristics of rural areas with you. Concentrate instead on the specifics of your rural area.
- **To be considered, information must be included under the proper Tab of your application (as described below in *Putting It All Together*).** Place all of the information supporting a scoring category together in the section of the application that responds to that category.

### A. Standard Form 424

The SF-424, (Standard Form 424, *Application for Federal Assistance*) is required to apply for DLT grants. You can find a copy of the SF-424 in the *Toolkit*. The *Toolkit* also provides a *Site Worksheet on which to provide* the information required in blocks twelve and fourteen as well as other site information necessary for proper evaluation of your application. In particular, accurate site information is essential to scoring. **Applications that do not provide all of the site information requested on the Site Worksheet, and who do not use the set of sites described on that worksheet consistently throughout the application, cannot be evaluated and as a consequence, will be returned to the applicant as ineligible.** It is important that the applicant completes every relevant entry. In particular:

**Block 1:** We've already checked the *Non-construction* box for you. DLT grant awards may not be used for construction. Leave the *Pre-application* boxes blank.

**Block 2:** For your organization's use.

**Block 3:** Not Applicable – Leave Blank.

**Block 4:** For our use – Leave Blank.

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**Block 5.** There are multiple entries in this block. The contact information provided in this box will be used for all contact and correspondence. Please complete this in full and attach a sheet if you want to provide additional contacts. **It is crucial that we have accurate information, and in particular, a reliable fax number for rapid correspondence.** If you do not have a fax number, we must have a reliable e-mail address if you want to receive correspondence as quickly as possible. Otherwise, correspondence will be sent by mail. Given that timeframes allowed for responses are based on the date of our correspondence, this would have the effect of shortening the time available for an applicant to respond. It is also important that we have full contact info including a fax number for someone with the authority to answer any questions our staff may have about the application.

**If you wish to delegate someone from outside your organization to act on your organization's behalf,** attach a letter immediately behind the SF 424 listing these items: person's name, organization, contact information (phone, fax, email, mailing address), and relationship to your organization. Make sure the letter clearly states the scope of the delegation and any time limit you wish to apply to that person's authority. **The letter of delegation must be signed by the authorized representative of the applicant who signs the application in Block 18.**

**Remember, if you delegate someone to act on your behalf, that person becomes responsible for responding to any date-sensitive request from us that is part of the application process.** Faxes (or e-mails) will be sent to that contact point. We also send a courtesy copy of such correspondence to the applicant, but that correspondence is sent by regular mail. If you as the applicant designate someone to act on your behalf, but also wish to receive such correspondence as promptly as possible, provide fax (or e-mail) contact information for both the delegated person and your organization.

As required by the Office of Management and Budget, **all applicants for grants must now supply a Dun and Bradstreet Data Universal Numbering System (DUNS) number** when applying. Obtaining a DUNS number costs nothing but requires a telephone call to Dun and Bradstreet (1-866-705-5711). Please see this website for more information for more information:

[www.whitehouse.gov/omb/grants/duns\\_num\\_guide.pdf](http://www.whitehouse.gov/omb/grants/duns_num_guide.pdf)

**Block 6.** Enter your Employer ID.

**Block 10.** The Catalog of Federal Assistance Number is **10-855**

**Blocks 12 & 14.** Complete identification of project sites is central to evaluation of your project. The space provided for this information on the SF-424 is insufficient for DLT projects which by their nature involve multiple sites. Complete the *Site Worksheet* that is included as part of the Toolkit and place this *Worksheet* behind the SF-424 under Tab A of your application. Include every site involved with your project (e.g., hub, hub/end-user or end-user) regardless of whether grant or match funds will be expended at that site or whether the sites are included in your estimated scores. See page 22 of this *Application Guide* for extended discussion of how to categorize sites in your application. **Applications that do not provide all of the site information requested on the Site Worksheet, and who do not use the set of sites described on that worksheet consistently throughout the application, cannot be evaluated and as a consequence, will be returned to the applicant as ineligible.**

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For each site (hub, hub/end-user, or end-user), show:

- The complete and formal name of the site. If you wish to use an abbreviation, show that abbreviation and use it consistently throughout the balance of the application.
- A complete street address. The address must be one that can be recognized by the United States Census *Fact Finder* website:

[factfinder.census.gov/home/saff/main.html?\\_lang=en](http://factfinder.census.gov/home/saff/main.html?_lang=en)

Data from the *Fact Finder* website is required to document your estimated *Rurality* score. See page 39 of this *Application Guide* for more detail about the *Fact Finder* site and about completing the *Rurality Worksheet*.

We must know the exact location of every site. If the only address available for a site is a PO Box, Star Route, Rural Route, or other address not recognized by *Fact Finder*, give that address supplemented by the precise latitude and longitude in Degrees, Minutes, and Seconds (DD/MM/SS). Latitude and longitude can be determined from mapping software as well as many publicly available sources including this website hosted by Northern Arizona University:

[jan.ucc.nau.edu/~cvm/latlon\\_find\\_location.html](http://jan.ucc.nau.edu/~cvm/latlon_find_location.html)

- The applicant's designation of the type of site, *i.e.*, a pure hub, a combination hub/end-user, or a pure end-user. The distinction between a hub and a hub/end user is important because pure hubs are not included in the *Rurality*, *NSLP*, or *EZ/EC* calculations. As a consequence, their inclusion or exclusion can have a significant effect on the applicant's score. See page 22 of this *Application Guide* for detail on how to categorize sites in your application. Remember that we start our review of an application with the presumption that most hubs are actually hub/end-users. To designate a site as a pure hub, the applicant must provide a convincing demonstration that no benefits flow to the site or to users at the site. The Agency will review that determination and decide whether the site is a pure hub or a combination hub/end-user. If the latter, we will include that site in the appropriate scoring categories. For this reason, we recommend that you provide population and NSLP data for every site including sites that you believe are pure Hubs so that we can correct these scores if necessary.
- The County, School District, and Congressional District in which the site is located.

### **Box 15:** (Estimated Funding):

- a. Federal: Show the amount requested from the Agency as a grant. This number is line E, *DLT GRANT REQUEST*, in the *Budget Summary* block at the bottom of the *Overall Budget Worksheet* (See *Toolkit*).
- b. Applicant: Show the total proposed matching contributions regardless of source. This number is the sum of lines B & C, *Less Proposed Cash Match* and *Less Proposed In-Kind Match*, in the *Budget Summary* block at the bottom of the *Overall Budget Worksheet*.
- c, d, & f: Leave Blank.
- e. Other: Show amounts that are part of the project but not in the grant request or proposed matching funds. This number is line D, *Less Other Funds*, in the *Budget Summary* block at the bottom of the *Overall Budget Worksheet*.

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- g. Total: Show the total budget. This number is line A, *Overall DLT Project Budget*, in the *Budget Summary* block at the bottom of the *Overall Budget Worksheet*.

**Block 16.** The DLT Program is subject to Executive Order 12372, *Intergovernmental Review of Federal Programs*. The Order requires that grant applicants consult with State and local officials if that state has a *State Local Point of Contact* (SPOC). If your state has an SPOC, you must submit a copy of your application to the SPOC at the same time you submit your application to Us. Check this website to determine if your state has an SPOC and for contact information:

[www.whitehouse.gov/omb/grants/spoc.html](http://www.whitehouse.gov/omb/grants/spoc.html)

The following states had an SPOC at the time this Guide was prepared. Double-check the website above when you prepare your application to make certain that your state has not established an SPOC in the meantime.

Arkansas	California	Delaware
District of Columbia	Florida	Georgia
Illinois	Iowa	Kentucky
Maine	Maryland	Michigan
Mississippi	Missouri	Nevada
New Hampshire	New York	North Dakota
Rhode Island	South Carolina	Texas
Utah	West Virginia	Wisconsin
American Samoa	Guam	North Mariana Islands
Puerto Rico	Virgin Islands	

**Block 17.** We cannot make a grant if you are delinquent on Federal debt.

**Block 18.** The SF-424 **must be signed by an authorized representative of the applicant's organization, the organization that will manage the project if a grant is awarded.** An authorized representative is one capable of obligating the organization. **You must include evidence that the signer is authorized to obligate the organization - no exceptions.** Place the evidence behind the SF-424 and *Site Worksheet* under Tab A. **Applications submitted without evidence that the person who signed the SF-424 is so authorized will be returned as ineligible.** In the case of a consortium, the consortium agreement should be attached.

## **B. Legal Eligibility - Legal Existence - Authority to Contract**

**You must provide evidence with respect to your legal eligibility, legal existence, and legal authority to contract with The United States Government (See 7 CFR 1703):**

1. **Legal Eligibility:** An applicant must be legally organized as an incorporated organization or partnership, an Indian tribe or tribal organization, as defined in 25 U.S.C. 450b (b) and (c), a state or local unit of government, a consortium, or other legal entity, including a private corporation organized on a for profit or not-for profit basis.
2. **Legal Existence:** You must provide us with acceptable evidence of your legal eligibility. Such evidence includes a certification as to legal existence from the Secretary of State in the

applicant's state of incorporation, a certified copy of the applicant's Articles of Incorporation, or a copy of the state or local statute establishing an applicant. **Evidence of tax status from the Internal Revenue Service or a state department of taxation is not evidence of legal existence.**

3. Legal Authority to Contract with United States Government: You must provide written evidence of your legal authority to contract with the Federal government. Such evidence includes a copy of the applicant's bylaws or Articles of Incorporation, applicable state or local statutes, a resolution from the applicant's board of directors, or an opinion of counsel showing that the applicant has the legal power to contract with the government. If a consortium lacks the legal capacity to contract, each individual entity must contract with the Agency on its own behalf.

For example, some applicants have provided evidence that a related entity such as the school board has legal authority to contract with the Federal government. Such evidence does not demonstrate the legal existence of the school district that is the applicant or of the school district's ability to contract with the government. **Applications that do not demonstrate both the applicant's legal existence as an entity that is eligible to apply for a grant and its legal authority to contract with the United States Government will be returned as ineligible.**

### C. Executive Summary

The Executive Summary gives reviewers their first overall view of the project area, the problems that residents face, and how the proposed project will address those problems. This is your opportunity to discuss the core aspects of the project. It should contain a **concise** description of the project including:

1. A two paragraph abstract that describes your project in a nutshell.
2. A general **overview** of the telecommunications system to be developed, including the types of equipment, technologies, and facilities proposed.
3. A description of the participating sites (hubs, hub/end-user, and end-user) and the number of rural residents who will be served at each hub/end-user or end-user site. The sites must be consistent throughout your application including the SF-424, the *Telecommunications System Plan*, the *Budget*, the *Rurality Worksheet*, and the *NSLP Worksheet*. If your sites are not consistent throughout the application, your application will be returned as ineligible. See **page 22 of this Application Guide** for extended discussion of how to categorize sites in your application.
4. A description of the **types of distance learning or telemedicine services** proposed.
5. An explanation of **how the project will address community needs, why your organization requires financial assistance** and how the project **benefits rural residents**. A summary of the total project cost including a breakdown of the grant requested, the proposed match, and any other financial assistance required for purposes that are ineligible for grant or match but which you feel are necessary for the project.



## D. Project Information

### Eligible Grant Purposes are Identical to Eligible Match Purposes

In other words, to be considered as eligible matching funds, cash and in-kind contributions must go toward items which would be eligible for grant funding if included as part of a grant request.

All items to be funded with match or grant must be obtained from an organization other than the applicant or other entities participating in the applicant's DLT project as hubs, hub/end-users, or end-users, i.e., items must be procured from a third party. In prior years' *Application Guides*, third party procurement explicitly applied to category 2 (acquiring instructional programming) and category 3 (technical assistance and instruction) items because it was in these categories that applicants had requested to provide the items themselves. However, the logic that leads to this restriction for category 2 & 3 items applies equally to category 1 (equipment). There are a number of regulatory requirements that make this the only practical way to administer the DLT program:

1. Salaries and administrative costs of the applicant are not an eligible purpose. If an applicant is also a vendor, it is administratively impossible to determine if the applicant's salaries and administrative costs are part of the vendor's selling price.
2. Items acquired before the application deadline are not eligible for grant or match. If the applicant is selling facilities to itself, we have no way to determine when the facilities were obtained.
3. Should a grant be made to an applicant, grant and match are administered on the basis of invoices from and purchase orders to third-party vendors. When the applicant obtains facilities from a third party, it is in the applicant's interest to obtain the lowest price and the invoice is evidence of the actual price. If the applicant is selling facilities to itself, we lose the assurance of reasonable pricing that third-party procurement provides.

Note: A vendor is eligible to participate in a DLT project either as the applicant or other participant. However, actual advances and reimbursements of grant funds, and crediting of matching funds, will be based on invoices submitted to the vendor from an entity not participating in the project - in other words, what the vendor pays for the equipment, not what it charges to others.

### Eligible Purposes for Grant and Match

**All equipment and services must be obtained from entities other than the applicant. By applicant, we mean the organization that signed the SF-424 and the organizations that have sites in the DLT project whether their participation is informal or part of a formal consortium.** There are three categories of eligible purposes:

1. The first includes acquiring **eligible equipment**. The following are examples of eligible equipment. This list is not exhaustive. Neither does it convey blanket eligibility. Remember that the purpose of the DLT Grant program is to deliver education or medicine between remote sites via telecommunications, not simply to furnish educational

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or medical technology. In general, equipment not electronically interconnected to the grant and match funded equipment is not eligible. **The application must demonstrate that the predominant purpose (50% or more of use) of every line-item in the grant and match budget meets the DLT Grant definition of distance learning and/or telemedicine and that none of the use is for ineligible purposes. If not the primary purpose (less than 50% ), the applicant can propose that a portion of the line item be budgeted for grant or match based on the proportion that does provide distance learning or telemedicine.** (See page 24 for detail on apportioning DLT project benefit.)

- Computer hardware and software
  - Audio and video equipment
  - Computer network components
  - Terminal equipment
  - Data terminal equipment
  - Interactive audio/video equipment
  - Original Equipment Manufacturer (OEM) or OEM authorized extended warranties on eligible equipment up to the 3 year life of the grant
  - Inside wiring
2. The second provides for **acquiring instructional programming** (including the purchase or lease of instructional programming already on the market).
  3. The third includes **technical assistance and instruction for using eligible equipment** (TA&I), including any related software; developing instructional programming (including the development and modification of an existing instructional programming package); and providing engineering or environmental studies relating to the establishment or expansion of the phase of the project to be financed with the grant. The costs for **this category cannot exceed 10% of the grant amount requested or 10% of the eligible matching funds.**

### Ineligible Purposes for Grant or Match

None of the following purposes are eligible (see 7 CFR 1703.123):

- Salaries, wages, or employee benefits to medical or educational personnel.
- Salaries or administrative expenses of the applicant or the project. Administrative expenses of the applicant include the normal costs of operation. For example, software designed to keep track of student attendance or hospital billing is an administrative expense. Another example is operational supplies such as paper, blank CDs, or spare ink cartridges. So is rental of space, the cost of utilities, and maintenance, except for OEM extended warranties as described above under eligible purposes.
- Acquiring, installing or constructing telecommunications transmission facilities. Remember, although DLT projects are intended to deliver education or medicine between remote sites via telecommunications, they do not cover the transmissions facilities themselves. DLT eligible purposes end at the terminal equipment that connects to a transmission facility.
- Medical equipment not having telemedicine as its essential function.



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- Purchasing equipment that will be owned by a local exchange carrier or another telecommunications service provider *unless* that service provider is the applicant. Remember that entities financed through loans from Rural Development Utilities Programs are not eligible for DLT grants.
- Duplicating facilities already in place which provide distance learning or telemedicine services.
- Reimbursing your organization or others for costs incurred prior to the date we received the completed application. For administrative convenience, we assume that date is the last possible date for submission, June 12, 2006, the application deadline for this year's program.
- DLT application preparation costs.
- Projects that only provide links between people located at the same physical facility. This includes projects where several facilities are involved, but all the links are within each facility. For projects that do not meet the DLT Grant Program definition of distance learning or telemedicine, organizations should consider the DLT Loan or the Combo Grant/Loan Program. In the lending programs, the definition of Distance Learning and Telemedicine is less restrictive than in the DLT Grant Program.
- Site development, or the destruction or alteration of buildings. Equipment specific modifications needed for the project to work such as soundproofing and lighting for a video conferencing room are eligible. Building an addition, knocking out walls, or replacing an electric service are not.
- Purchasing land or buildings or for building construction.
- Projects located in areas covered by the Coastal Barrier Resources Act.
- Recurring or operating project expenses or costs such as monthly fees for telecommunications and electric service. (Leases to obtain equipment as described above (under **Eligible Purposes for Grant and Match**) are not considered recurring costs.)
- Any other purposes not specifically contained in 7 CFR 1703.121.
- Any other purpose that the Administrator has not specifically approved.
- Except as otherwise provided in 7 CFR 1703.112, grant funds shall not be used to finance a project, in part, when success of the project is dependent upon the receipt of additional financial assistance under Part 1703, Subpart E, or is dependent upon the receipt of other funding that is not assured.

### **D-1. Telecommunications System Plan & Scope of Work**

A Telecommunications System Plan (TSP) is required as part of a complete application. The TSP provides the reviewer with a thorough understanding of the project. The TSP in tandem with the *Budget* is the foundation of the application. In particular, it shows the sites (hubs, hub/end-users, or end/users) that will participate in the project and shows where the equipment will be located. In addition, the TSP shows how the equipment is interconnected and how it accomplishes the distance learning or telemedicine purposes of the project.

### Categorizing Sites

The distinction between sites is important throughout the application. Scoring is based in large part on the beneficiaries of the project, *i.e.*, the end-users. In particular, the *Rurality* and *NSLP* scores are directly tied to the end-users. As such, it is important that the end-users on which the application is scored are an accurate representation of who will benefit from the grant and match funds. If grant or match funds will benefit users at a site, that site must be accounted for in the scoring and budget. This is true even if no grant or match funds are expended at that site. If you wish to exclude a site that will benefit from the project because of its potential to reduce a score, you will also need to remove any funds from the grant or match budget that benefit that site.

Remember, sites must be consistent throughout your application including this section, the SF-424, the *Budget*, the *Rurality Worksheet*, and the *NSLP Worksheet*. If your sites are not consistent throughout the application, your application cannot be evaluated and will be returned as ineligible.

**HUB** - A pure hub receives no benefit of any kind from the project. It is either an electronic connection point or a source of distance learning or telemedicine. Because no benefit flows to a pure hub, it is not counted in the *Rurality* and *NSLP* score. This can be important when the hub would have a negative effect on the applicant's *Rurality* or *NSLP* score if included.

However, most DLT project hubs are actually hub/end-users as described below and we start our evaluation of an application with that presumption. To be considered a pure hub, the applicant must provide compelling evidence that no benefit flows to the hub site or to users at the hub site. The following are examples of pure hubs although the third example gives an illustration of a site that would not be funded in its entirety.

#### Pure Hub Examples:

1. A server is located in a school administration building. The server's entire function is to control distance learning equipment remotely located at each of 15 schools in the district. In other words, it serves as an electronic hub. In this case, the Administration building site is a pure hub. The Administration Building is excluded from the scoring and each of the 15 schools is scored as an end-user.
2. An urban school provides classes to five other schools that are shown as end-users on the *Rurality* and *NSLP Worksheets*. The urban school provides classes to students at the five schools but does not receive any courses from them. The DLT project items placed at the urban school are dedicated to the five rural schools in the project. No grant or match items are used at the urban school to provide courses to or receive courses from within the school or from schools that are not shown as part of the DLT project. The urban school is a pure hub. The five rural schools are scored as end-users on the *Rurality* and *NSLP Worksheets*.
3. A state operated Educational Resource Center serves students at all 804 public schools in the state. No students are served at the Resource Center itself. The applicant proposes to install video conferencing equipment at the Resource Center in order to provide distance learning to seven rural schools. If the applicant can demonstrate that the equipment at the Resource Center is dedicated to and will benefit only the seven schools shown as end-users, it would be an example of a pure hub. The *Rurality* and *NSLP Worksheets* would show the seven rural schools as end-users.

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If, however, the Resource Center will use that equipment to provide distance learning to any of the other 797 schools which it serves, the seven schools shown on the scoring sheets as the end-users are not the sole beneficiaries of the grant. All sites that benefit from the project must be accounted for in the scoring and budget even if no funds are expended at some of those sites. If the applicant does not wish to include the other schools that will benefit from the DLT project investment at the Resource Center because of their negative effect on the applicant's score, it is possible that grant and match amounts for the equipment at the resource center can be adjusted in proportion to the usage that can be attributed to the seven rural schools included in the scoring. **See next page for detail on apportioning DLT project benefit.**

**Hub/End-User** - A hub/end-user may perform functions associated with a hub such as electronic switching or origination of content, but it also receives benefit at that site. Hub/end-users are much more common in the DLT Program than pure hubs. A hub/end-user is considered the same as an end-user for scoring purposes.

Hub/End-User Examples:

1. A university medical center wants to create a teleradiology system along with seven rural hospitals. The equipment at the university hospital will be used within the hospital and to connect with national centers of expertise for the benefit of patients at the university medical center and the seven rural hospitals. Because benefits flow to the university medical center, it is a hub/end-user and must be accounted for. In most cases, the applicant will include it in the *Rurality* and *NSLP* Calculations along with the seven rural hospitals. If the applicant does not wish to show this site as an end-user because of a negative effect on those scores, it is possible that grant and match amounts for the equipment at the hospital can be adjusted in proportion to the usage that can be attributed to the seven rural end-users. **See next page for detail on apportioning DLT project benefit.**
2. A suburban High School houses the server that interconnects itself and three other schools. Video-conferencing equipment is installed at all four schools. The suburban high school and the three other schools both provide classes to and receive classes from other schools in the project. The *Rurality* and *NSLP* Calculations show four hub/end-user sites, the suburban high school and the three other schools.

**End-Users** - An end-user is purely a beneficiary. It does not matter whether grant or matching funds go to that site. If grant or match funds expended anywhere will benefit users at a site, that site must be accounted for in the scoring and budget.

End-User Examples:

1. A rural high school will receive foreign language and higher mathematics courses via video-conferencing equipment that is part of the DLT project. These courses will come from a larger high school that is a hub/end-user. It will not provide any classes to others. The rural school is a pure end-user.
2. An urban high school that is not included in the grant or match budget. If it will receive distance learning information via the DLT project which is the basis of the grant request, or if grant or match funded equipment will benefit this site, it must generally be shown as an end-user for scoring purposes. If the applicant does not wish to include this site because it would

have an adverse effect on the applicant's score, it is possible that the grant and match amounts at other sites could be adjusted in proportion to usage by the end-users included in the scoring. **See below for more detail about apportioning DLT project benefit.**

### Apportioning DLT Project Benefit

DLT Grants are intended to reduce the effects of low population density and lack of economic resources by using telecommunications to bring education and medical services to rural areas. In short, the focus is on students and patients, not on teachers and doctors or institutional administrators. The scoring system (*Rurality* and *NSLP* in particular) is intended to measure the benefit of the project to rural people by using population and economic characteristics of the end-user sites where the service is provided as a proxy for the rural people the project is designed to benefit. As part of our review of the application, we must make certain that the project actually provides distance learning and/or telemedicine and that the end-users on which the scores are calculated are an accurate representation of who will benefit from the project. If sites not included in the scoring benefit from the project, they must be accounted for in some manner so that the funding considered for grant and match is proportional to the benefit that goes to the sites on which the application is scored.

For a line item to be eligible in full for grant or match funding, the application must demonstrate:

1. That none of the use is for ineligible purposes,
2. That none of the use is to benefit sites not accounted for in the scoring, and
3. That the predominant purpose (over 50% of use) of that line-item is for purposes that meet the DLT Grant definition of distance learning or telemedicine.

If any part of a line item is for an ineligible purpose, the line item cannot be budgeted for grant or match. If not the predominant purpose (over 50% of use) or if some of the use will benefit sites not included in the scoring, the applicant can propose that a portion of the line item be budgeted for grant and/or match. That portion eligible for grant or match is that attributable to the sites on which the project is scored. The balance must come from other funds.

**Apportioning Illustrations:** How does apportioning benefit work in practice?

Illustration 1 - No Apportioning Needed: In many cases, there will be no need to apportion. Imagine a typical distance learning system in which ten rural schools are equipped with video conferencing classrooms so that they can all exchange classes with each other. None of the video conferencing equipment is used for communications within the school. All the equipment is used for distance learning, *i.e.*, transmitting and receiving classes via telecommunications to and from one of the other schools in the project and none is used to connect to schools not shown as end-users. All ten schools are scored as hub/end-users on the *Rurality* and *NSLP Worksheets*. The DLT percentage of use of the video-conferencing equipment is 100% for distance learning.

Illustration 2 - Ineligible Purposes: Other cases are not so straightforward. Grant and Match funds cannot be used in the DLT Program to fund ineligible purposes. Bundling an ineligible purpose with an eligible purpose does not change this. For example, a medical software package might bundle billing and insurance functions along with functions that can be used to provide telemedicine. Administrative costs of the applicant (billing and insurance) are not eligible purposes (**See eligible and ineligible purposes starting on page 19 of the Guide**). In cases like

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this, have the vendor apportion (break out) the costs of eligible and ineligible purposes so that you can show them as a separate line items in the budget. The line item for ineligible purposes must come from other funds - not grant or match.

The apportionment must be reasonable. If a software bundle provides thirty functions, and only one is a DLT eligible purpose, it is not reasonable to suggest that 100% of the cost of the bundle is for the one eligible purpose. The Agency will review the apportionment for reasonableness and may adjust it. If breakout pricing to apportion the ineligible purposes is not provided, the entire line-item is ineligible and must come from other funds.

Illustration 3 - Purposes that are Neither Eligible Nor Ineligible: In some cases, a portion of a line item is for a purpose that while not specifically ineligible, does not meet the DLT Grant Program definition of distance learning. Consider a computer that is integrated into a distance learning classroom system. Imagine that it is used 55% of the time for distance learning and 45% of the time for ordinary Internet access and local use such as word processing. This computer has a predominant use of distance learning. The balance of use, Internet access and word processing, does not meet the DLT Grant definition of distance learning, but it is not specifically ineligible. In this case, because the predominant use is for distance learning, the entire computer would be eligible in the grant or match budget.

However, schools routinely purchase large numbers of computers for general use. While connected to the Internet, they may not be integrated into the distance learning functions of the DLT project in any way. In such a case, none of the computer's use can be attributed to distance learning so none of the computer's cost can be included in the grant or match budget. In other cases, the predominant use of the computer is not for distance learning. If a computer is used 5% of the time for distance learning, it is not a good use of scarce grant funds to fund it in its entirety, or to consider the entire computer an eligible match. In this case, only the portion attributable to DLT use (5%) is eligible for grant or match. The balance must come from other funds.

### Reasonable Basis for Apportioning:

The applicant may choose any reasonable method to demonstrate usage. Among the bases for apportioning use would be time of usage or numbers of users. However, as with apportionment of ineligible purposes discussed above, the basis for apportionment must be demonstrated and must be reasonable. The Agency will review the reasonableness of the apportionment and may adjust it if the proposed basis is unreasonable.

Illustration 4: Consider this hypothetical example. Imagine a type of educational project where every student and teacher is electronically connected to every other student and teacher. Assume that the educational information that flows between students and teachers would meet the definition of distance learning if each student were at a separate site connected through telecommunications. An urban school plans to install this system to serve its 2000 students at one site. Because it is a single site system that does not connect remote sites via telecommunications, it would not meet the DLT Grant Program definition of distance learning.

If the urban school were to connect twenty rural students at one rural school to their system via telecommunications, the project would acquire a distance learning component. Based on the number of students ( $20 \div 2,020 = 0.01$ ), it would be reasonable to attribute 1% of the investment at the urban school to distance learning and that amount would be eligible for grant or match.

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The balance would have to come from other funds. If the applicant demonstrated that the rural students will use the system twice as much as the urban students, it would be reasonable based on usage to attribute 2% of the urban site equipment to distance learning. In this case, 2% of the investment at the urban school would be eligible as grant or match. It would not be reasonable to attribute 100% of the equipment at the urban school as benefiting the 20 rural students and seek to fund 100% of the urban school equipment with grant or match.

The situation would be the same for an urban medical center that installs an in-hospital system. A one site system does not meet the Grant Program definition of telemedicine. If it were to connect one rural clinic, it would add a telemedicine component. If 100 medical professionals use the system within the hospital and only one uses it from the rural clinic, it would be reasonable to attribute 1% of the equipment at the hospital to telemedicine. It would not be reasonable to attribute 100% of the equipment at the hospital as benefiting the one rural clinic and seek to fund 100% of the hospital equipment with grant or match.

Returning to the school illustration, if instead of 20 rural students, the urban school were to connect 3000 rural students at seven sites to its 2000 urban student system serving 5,000 students in all, it would be reasonable to attribute 60% of the equipment used at the urban school to distance learning use ( $3,000 \div 5,000 = 0.6$ ). This would make distance learning the predominant use (greater than 50%) of the equipment and the entire amount would be eligible for grant or match. For scoring purposes, the applicant would show eight end-users, the urban school and the seven rural schools. The urban school is included because benefit flows to the site from either grant or match funds. If the applicant did not wish to include the urban school as an end-user in the scoring, it could propose that the portion attributable to the seven rural schools be funded with grant and/or match. In this case, 60% of the equipment at the urban school would be attributable to the seven rural schools.

### Telecommunications System Plan Details

The TSP will aid the Agency in comprehending and evaluating your project. It is crucial that the TSP provide the information in the numbered items below. Keep in mind that **the purposes for grant and match are identical and the support information you provide here and elsewhere in the application should be just as thorough and complete whether for items in your grant request or in your proposed match.**

#### Include the Following in your TSP:

1. A description of the types of distance learning and telemedicine services proposed and a statement that the project is either for a distance learning or telemedicine purpose. Describe how the project as a whole meets the regulatory definition of distance learning and telemedicine. If the project provides both distance learning and telemedicine services, identify the predominant use of the system.

Remember, that **distance learning** as defined by the regulation implies a curriculum with measurable results delivered via telecommunications and stresses the connection of students and teachers at remote sites. Not every use of technology is distance learning. Some examples of technology that in isolation are not distance learning:

- Attendance software. Attendance is an administrative function. Administrative costs are not an eligible purpose.



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- Ordinary access to the Internet, *i.e.*, not part of a structured curriculum obtained via the Internet. Giving a student access to the Internet for “research” is not distance learning any more than giving them access to the library is formal education. The e-rate program is targeted directly at the goal of wiring schools and connecting them to the Internet. The DLT Program is focused on connecting students and teachers at remote locations.
- Providing computers for word processing, homework, or for improving a student’s “technical literacy.” These are all worthy goals, but they do not meet the Grant Program definition of distance learning.
- Video-streaming of archived classes recorded at one school and viewed at the same school on a server located at that school. Video streaming of archived material can be a valuable adjunct to a distance learning system, but in isolation it is not distance learning because the transfer does not involve telecommunications between sites. In essence, this is like looking at a video tape, which is not distance learning.

Telemedicine as defined by the regulation implies the delivery of medicine from medical professionals at one site to patients and their medical professionals at other sites via telecommunications. Telemedicine should reflect some benefit to rural residents either in reduced travel time or access to services not otherwise available. If before the technology is installed, the patient visits the doctor’s office in a hospital for a consultation, and after the technology is installed, the patient still visits the same doctor’s office for a consultation, and the technology doesn’t provide any delivery of additional medicine from a remote site, your project doesn’t provide any telemedicine or benefit to the rural resident. Some examples that in isolation are not telemedicine include:

- A computerized patient billing system where the physician and patient are at the same site. This fails on two counts. First, the billing system does not deliver medicine. It is an administrative function and administrative costs are not an eligible purpose. Second, even if this function were eligible, the interaction is between doctor and patient at the same site. It is a matter of indifference to the patient whether the billing is manual or electronic. There is no medical benefit delivered to the rural resident in terms of reduced travel time or access to previously unavailable services that occurs through telecommunications.
  - Equipment not electronically interconnected with the equipment that comprises the telemedicine project. For example, a portable computer used for data entry by a medical professional at a patient’s home and carried back to another point where the data is transferred to another system. No telemedicine occurs at the home because there is no telecommunications link out of the home.
2. A general description of the telecommunications facilities proposed for the project including an explanation of how they will enable the project’s interconnection with other networks, if that is relevant. This discussion should cover the entire project, including interconnected sites for which no grant or match funds are budgeted. The discussion should be sufficiently straightforward that a reasonably intelligent but non-expert person would understand how your project delivers distance learning or telemedicine across the system and would also be capable of explaining that operation to another person.

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3. A map and/or a network diagram of the telecommunications system, and how the distance learning or telemedicine equipment relates to that system. Each site must be represented on the map/diagram. This representation need not be to scale, but it must be representational of your project, not generic. **An application that does not contain a map/diagram that shows each site cannot be evaluated and will be returned as ineligible.**
4. A list that can be cross referenced with the map/diagram and the *Budget* of every line-item in the *Budget*. Provide detailed descriptions of each line item. Both here and in the *Budget*, make certain that the line items are specific, not lump sums that cannot be evaluated by us as to eligibility or reasonableness of cost. Provide specifics such as the brand and model number, *i.e.*, “VideoKing TX-90,” as opposed to “One Video System.” **An application that does not include this list and detail cannot be evaluated and will be returned as ineligible.**

Include the following detail for each line-item:

- The DLT capabilities of all equipment and software that will be provided.
  - Information which supports the costs shown in the budget such as vendor quotations. Quotes from multiple sources are recommended and such information is valuable in preparing the *Cost Effectiveness* section (Tab F-4). Include discussion of how the budgetary cost estimates were determined to be reasonable, when the equipment will be obtained, and whether it will be purchased or leased.
  - The percentage of use that can be attributed to purposes that meet the DLT grant definition of distance learning and/or telemedicine and a demonstration of how those percentages were determined. **(See page 24 for more detail about apportioning DLT project benefit. This percentage is entered on the Overall Budget Worksheet which is discussed on page 30 of the Guide.** Examples are also provided in the *Budget* section.) Remember that to be eligible in full for either grant or match, the predominant use of each line-item must be for distance learning and/or telemedicine and none of the use can be for ineligible purposes. If the line-item will provide any ineligible purpose, no portion of the line item can be funded with match or grant. For items that provide no ineligible purposes, but where the predominant use does not meet the DLT Grant Program definition of distance learning or telemedicine, only the portion attributable to DLT purposes is eligible for grant or match. The balance must come from other funds.
5. Documentation of discussions with various technical sources, such as consultants, engineers, product vendors or internal technical experts. Provide detailed cost estimates for operating and maintaining the end-user equipment. Provide evidence that you evaluated alternative equipment and technologies. These types of documentation will also be useful in the *Cost Effectiveness* Category.
  6. A discussion of the whether the project will duplicate any adequate, established telemedicine or distance learning services. As part of the application package, you will need to complete a *Nonduplication of Services* Certificate described in Section IV - H below. **Applications submitted without a certification of nonduplication will be returned as ineligible.**
  7. A description of the consultations with the appropriate telecommunications carriers (including interexchange carriers, cable television operators, enhanced service providers, providers of



satellite services and telecommunications equipment manufacturers and distributors) and the anticipated role of such providers in the proposed telecommunications system.

### Scope of Work

The scope of work explains what you plan to do. It is your opportunity to make a clear and convincing presentation of how you will achieve the goals of your project. The scope of work completes the picture for the reviewer. It discusses how your organization proposes to proceed with the project, if funded. **An application that does not include a scope of work cannot be evaluated and will be returned as ineligible.** The scope of work must include, *at a minimum*, the following:

- The specific activities to be performed under the project.
- Who will carry out the activities.
- The timeframes for accomplishing the project **objectives** and activities.

### D-2. Budget

**The purposes for grant and match are identical and the support information you provide here and elsewhere in the application should be just as thorough and complete whether for items in your grant request or in your proposed match.**

A budget is required. In tandem with the TSP discussed above, the budget is the foundation of your application. This section shows how to present a budget for your organization's proposed project. Your *Budget* should show each cost as a **line-item** similar to the sample below. Both here and in the *Telecommunications System Plan*, make certain that the line items provide item-by-item detail. Do not enter lump sums that cannot be evaluated by us as to eligibility or reasonableness of cost. Provide detail such as the brand and model number, *i.e.*, "VideoKing TX-90, \$5,600," as opposed to "One Video System, \$75,000 each site" or "Wiring, \$100,000." Remember that we evaluate the entire project so show each site in the *Budget* whether it will be funded with the grant, matching funds, or other funds. Even if a site does not need any funding, enter a placeholder in the *Budget* so that it is clearly identified as part of the project.

As is discussed more thoroughly in **the *Leveraging Section* on pages 43-46**, we recommend that applicants propose cash matches and avoid in-kind matches. Cash matches are unambiguous as to value and can be applied against any eligible item in the entire budget. An in-kind match is harder to value and specific to the in-kind item proposed. If the applicant cannot demonstrate that the item has an established monetary value or if the item is determined to be ineligible, the proposed match disappears when that item is removed from the grant and match budget.

As a practical matter, there is no compelling reason for an applicant to propose an in-kind match. Any in-kind items will generally be obtained by the applicant with cash after the application is submitted. In other words, when an applicant proposes an in-kind match, it is in effect committing cash with which the proposed in-kind item will be purchased at some point after the application deadline. However, by proposing a specific in-kind item rather than cash, the existence of the match is tied to the eligibility of that item. If that item is not eligible, either

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categorically or because the Agency finds that it is not integral to eligible DLT purposes as described in the application, the item would be removed from the budget and the proposed match associated with that item disappears. This would reduce the proposed match which can affect the *Leveraging* score and could even make an application ineligible, should the remaining match not meet the 15% minimum required under the DLT Program.

Of course, projects typically require resources that are not eligible (see page 20 for a list of ineligible purposes) for grant or match funding and, as a result, are not part of the eligible costs described above. Costs incurred by your organization or contributed by others for ineligible purposes typically include salaries, rent, fringe benefits, supplies, office space, Internet access charges, utility expenses and other recurring charges. These should be shown in full on both the *Overall Budget Worksheet* and the *Other Funds Worksheet*. Budget worksheets are described below.

**Budget Worksheets** - The *Toolkit* provides three budget worksheets (and continuation sheets):

***Overall Budget Worksheet:*** Show the entire project budget on this sheet in line-item form. Include every line-item that will be part of the project regardless of the source of funds. In other words, this sheet will show every aspect of the project, whether it is funded by the grant, by matching funds, or by other funds. Number each line item. For each line-item, identify the site where the item will be placed. Provide a description, a unit cost, the number of units, and the extended cost. In the last column, *DLT % of use*, enter the percentage of use that is attributable to purposes that meet the DLT Grant Program definition of distance learning and/or telemedicine. **(This percentage must be developed and supported in the TSP. See page 24 for detail about apportioning DLT project benefit. Examples are provided below.)**

At the bottom of the sheet is a block labeled *Budget Summary*. Line A, *Overall DLT Project Budget*, is the total project budget. The number entered here should match the number entered in Block 15-g of the SF-424, *Application for Federal Assistance*.

***In-kind Match Worksheet:*** If any in-kind match items are proposed, show them on this sheet. Identify each line-item in the same manner as on the *Overall Budget Worksheet* (line-item number, site, description, etc.).

***Other Funds Worksheet:*** Show all purposes that cannot be funded with grant or match on this sheet. This would include ineligible purposes and any portions of line-items that are not predominantly for purposes which meet the Grant Program definition of distance learning or telemedicine. **(See page 24 for detail about apportioning DLT project benefit.)** Identify each line-item in the same manner as on the *Overall Budget Worksheet* (line-item number, site, description, etc.)

### **Budget Example - Overall Budget Worksheet:**

Center City CC Site: The applicant, Center City Community College (Center City CC), plans a Distance Learning Project with three high schools; Woodland, Valley, and Southland. Center City CC will use the budgeted videoconferencing equipment to provide courses to the three high schools, but will not receive distance learning from them. Neither will it use the budgeted equipment to exchange distance learning on its campus or with any other sites not accounted for

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in the Budget and scoring. This makes Center City CC a true hub, so can be excluded from the *Rurality* and *NSLP* scoring.

Southland High is located in a relatively wealthy and more densely populated area. The applicant could request grant funds for Southland and include it as an end user in the scoring, but this would result in a much lower *Rurality* and *NSLP* score. Instead, the applicant chooses to use other funds for Southland and apportion the funds budgeted at the hub to reflect the benefit that flows to the two end-users who will earn the higher *Rurality* and *NSLP* scores, Woodland and Valley. In this case, the applicant had convincingly demonstrated in its *Telecommunication Systems Plan* that 40% of the coursework will be provided to Southland with the balance going to the two rural schools. This means that 60% of the videoconferencing investment at the hub (lines 1-7) can be attributed to the sites that benefit from the DLT project funded by the grant and on which it is scored. This percentage is entered onto the *Overall Budget Worksheet* in the “DLT % of Use” Column.

Line-items 8 and 9 are for a software package that includes ineligible purposes. The *Total School* package includes administrative functions such as attendance software and other academic record-keeping that is ineligible for funding with either grant or match. However, the package also provides functions that meet the DLT definition of distance learning. The applicant has obtained pricing and the basis for that pricing from its vendor. The apportionment by the vendor breaks out this software package into two line items. The ineligible purposes are shown as having zero percent DLT purpose on line eight. The funds for this portion of the package must come from other funds. The eligible purposes are shown as having a 60% percent DLT purpose based on the same demonstration of use discussed above for lines 1-7. The 40% balance must come from other funds.

Line-items 9 and 10 are correctly shown as having zero percent DLT Use. Center City CC is not an end-user in this project. Classroom computers (and the wiring associated with them) are end user equipment. As such, they are not part of this DLT project and could have been left out of the Budget.

Woodland and Valley High Sites: The project will provide both schools with essentially identical equipment. Each will get a distance learning classroom and lab equipped with video conferencing equipment (line-items 15-21 & 24 for Woodland and line-items 27-33 & 36 for Valley). The applicant demonstrated in the *Telecommunications System Plan* that the conferencing equipment will be used solely to receive distance learning so it is correctly entered at 100% in the “DLT % of Use” column.

In addition, the schools will install computers in other rooms (line-items 22, 34 and 35). The classroom computers will be used primarily for word processing and ordinary access to the Internet, which while not meeting the DLT Grant Program definition of distance learning, are not specifically ineligible. However, they will also be used at times to take formal online course work from the community college as part of the high school curriculum. The applicant demonstrated in the TSP that 20% of the computer’s usage will be for this purpose. As a consequence, it shows 20% DLT Use for the computers (line-items 22 and 34) as well as the classroom wiring associated with the installation at Valley (line-item 35).

Southland: As discussed above, the applicant did not wish to include Southland in the scoring because it would significantly reduce the *Rurality* and *NSLP* scores. As a consequence, the

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funds budgeted at that site have a “DLT percent of Use” of zero for this project and the funds must be provided from sources other than grant or match.

### **Budget Example - In-Kind Match Worksheet:**

In this example, the applicant followed expected practice and provided a cash match. If, for example, a local store, not involved with the project as a vendor, wished to contribute the LCD projector for Woodland High, it would be entered on this Sheet. **(See page 42 for a more thorough discussion of cash and in-kind matching.)**

### **Budget Example - Other Funds Worksheet:**

Some line-items that are part of a DLT project are not eligible as either grant or match. These funds must come from other sources. Other line-items may not be predominantly attributable to the DLT project. **(See page 24 for detail about apportioning DLT project benefit.)** The balance of these line-items must also come from other sources. The applicant shows these line-items on the *Other Funds Worksheet*. Identify each line item with the same line number used for the item on the *Overall Funds Worksheet*.

Items that are partially attributable to the project are shown on this sheet in the amount not attributable to the project. Grant and match funds cannot be used to benefit sites not shown in the scoring. In this case, the applicant had demonstrated in the TSP that 60% of line-items 1-7 were attributable to the sites on which the application is scored. The balance (40%) that must come from other funds is shown here. Similarly, the applicant had demonstrated that 20% of line-items 22, 34, & 35 is attributable to the DLT project. The balance of these line-items (80%) is shown here.

Items not eligible for grant or match are shown on this sheet in the full amount as shown on the *Overall Funds Worksheet*. In this case, the applicant proposes a software package that provides both administrative functions (ineligible) and DLT functions (eligible). The applicant had the vendor provided breakout pricing and the basis for that pricing so that it could present the ineligible and eligible purposes on separate lines. Line 8, for the ineligible purposes must come entirely from other funds. Line 9, for the DLT Purposes has a 60% DLT percentage of use based on the same attribution used for lines 1-7. The balance, 40%, must come from other funds and is shown on this worksheet.

Other ineligible items would also be shown here. For example, a building addition is not an eligible purpose for grant or match. If an addition were part of the project, it would be shown on both the *Overall Budget* and *Other Funds Worksheet* in the full amount. In this case, Center City and Suburban High are not shown as end-users in the Rurality and *NSLP* calculations, so 100% of line-items 9 & 10 as well as items 40-49 are shown on the *Other Funds Worksheet*.

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**DLT Project**  
**Overall Budget Worksheet**  
(See pp 30-32 of the *Application Guide*)

Line Item No.	Site Name	Description	Unit Cost	No.	Extended Cost	DLT % of Use
1	Center CC	Moderncom 3000 Server	\$2,125	1	\$2,125	60
2	Center CC	Poliburg 1776 Video Codec	\$9,675	1	\$9,675	60
3	Center CC	Tobsung T-98.6 DVD VCR Combo	\$1,480	1	\$1,480	60
4	Center CC	DV 2020X Digital Video Camera	\$940	1	\$940	60
5	Center CC	Illumimax 120/80 LCD Projector	\$1,420	1	\$1,420	60
6	Center CC	Micropixel P-5 5 Megapixel Document Camera	\$870	1	\$870	60
7	Center CC	Opus-infinity No. 4601 Mixer w lavalier and handheld microphones	\$1,870	1	\$1,870	60
8	Center CC	Total School Sftwr Pkg - Ineligible (see TSP)			\$37,600	0
9	Center CC	Total School Sftwr Pkg- DLT Eligible (see TSP)			\$97,400	0
10	Center CC	Omigosh Model 3-TBSP Classroom computers	\$750	200	\$150,000	0
11	Center CC	Wire Classroom computers into system	\$14,800	1	\$14,800	0
12						
13		<b>Center City CC Subtotal</b>			\$318,180	
14						
15	Woodland HS	Poliburg Intl 1776 Video Codec	\$9,675	1	\$9,675	100
16	Woodland HS	Tobsung T-98.6 DVD VCR Combo	\$1,480	1	\$1,480	100
17	Woodland HS	DV 2020X Digital Video Camera	\$940	1	\$940	100
18	Woodland HS	Illumimax 120/80 LCD Projector	\$1,420	1	\$1,420	100
19	Woodland HS	Micropixel P-5 5 Megapixel Document Camera	\$870	1	\$870	100
20	Woodland HS	Opus-infinity No. 4601 Mixer w lavalier and handheld microphones	\$1,870	1	\$1,870	100
21	Woodland HS	Dull 24 computer distance learning cart for Distance Learning Lab	\$21,780	1	\$21,780	100
22	Woodland HS	Omigosh 3TBSP Classroom computers	\$750	150	\$112,500	20
23	Woodland HS	Existing classroom wiring sufficient	n/a	n/a	0	n/a
24	Woodland HS	Wire Dist Learning Lab and video-conf. equip into system	\$11,340	1	\$11,340	100
25						
26		<b>Woodland HS Subtotal</b>			\$161,875	

**Budget Summary**

<b>A.</b>	<b>Overall DLT Project Budget (Sum of Overall Budget Extended Costs)</b>	<b>\$790,065</b>
<b>B.</b>	<b>Less Proposed Cash Match (as documented under Tab E-3)</b>	<b>\$43,000</b>
<b>C.</b>	<b>Less Proposed In-Kind Match (from <i>In-kind Match Worksheet</i>)</b>	<b>0</b>
<b>D.</b>	<b>Less Other Funds (from <i>Other-Funds Worksheet</i>)</b>	<b>\$586,851</b>
<b>E.</b>	<b>DLT Grant Request (A-B-C-D = E)</b>	<b>\$160,214</b>

Line A is the sum of all DLT project extended costs as shown on this page and any continuation sheets. Line B is the total proposed cash match. Lines C and D come from the *In-Kind Match* and *Other Funds Worksheets*. Remember to document all matching funds under Tab E-3 of your application. Proposed matching funds not documented under Tab E-3 will not be credited as an eligible match.

## Overall Budget Worksheet (Continuation)

34



(See pp 30-32 & 43 of the *Application Guide*)

[illegible]

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35

**2006 DLT Application Guide**  
**DLT Project**  
**Other Funds Worksheet**

(See pp 30-32 of *Application Guide*)

Some line-items necessary for a DLT project are not eligible as either grant or match. These funds must come from other sources. Other line-items may only be partially attributable to the DLT project. The balance of these line-items must also come from other sources. Show all line items that require other funds below. List them in a similar manner (row number, site name, description) as shown on the *Overall Budget Worksheet*. Show the portion of that line-item that will come from other funds in the "Other Fund Cost" column. Clearly identify the source of the other funds in the right-hand column.

Line Item No.	Site Name	Description	Other Fund Cost	Source
1	Center CC	Moderncom 3000 Server	\$850	Center CC
2	Center CC	Poliburg 1776 Video Codec	\$3,870	Center CC
3	Center CC	Tobsung T-98.6 DVD VCR Combo	\$592	Center CC
4	Center CC	DV 2020X Digital Video Camera	\$376	Center CC
5	Center CC	Illumimax 120/80 LCD Projector	\$568	Center CC
6	Center CC	Micropixel P-5 5 Megapixel Document Camera	\$348	Center CC
7	Center CC	Opus-infinity No. 4601 Mixer w lavalier and handheld microphones	\$748	Center CC
8	Center CC	Total School Sftwr Pkg - Ineligible (see TSP)	\$37,600	Center CC
9	Center CC	Total School Sftwr Pkg- DLT Eligible (see TSP)	\$38,960	Center CC
10	Center CC	Omigosh Model 3-TBSP Classroom computers	\$150,000	Center CC
11	Center CC	Wire Classroom computers into system	14,800	Center CC
22	Woodland HS	Omigosh 3TBSP Classroom computers	\$90,000	Woodland HS
34	Valley HS	Omigosh 3Tbsp Classroom computers	\$48,000	Valley HS
35	Valley HS	Wire additional classroom	\$1,984	Valley HS
40	Southland HS	Poliburg Intl 1776 Video Codec	\$9,675	Suburban HS
41	Southland HS	Tobsung T-98.6 DVD VCR Combo	\$1,480	Suburban HS
42	Southland HS	DV 2020X Digital Video Camera	\$940	Suburban HS
43	Southland HS	Illumimax 120/80 LCD Projector	\$1,420	Suburban HS
44	Southland HS	Micropixel P-5 5 Megapixel Document Camera	\$870	Suburban HS
45	Southland HS	Opus-infinity No. 4601 Mixer w lavalier and handheld microphones	\$1,870	Suburban HS
46	Southland HS	Dull 24 computer distance learning cart for Distance Learning Lab	\$21,780	Suburban HS
47	Southland HS	Omigosh 3Tbsp Classroom computers	\$135,000	Suburban HS
48	Southland HS	Wire additional classroom	\$11,450	Suburban HS
49	Southland HS	Wire Dist Lrn :Lab and vid-conf. equip into system	\$13,670	Suburban HS

<b>D.</b>	<b>Total Proposed Other Funds</b>	<b>\$586,851</b>
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Enter this number on line D of the  
*Budget Summary* on the *Overall Budget Worksheet*



### Notes for Budget Example

Total Grant Request: \$160,214  
Total Proposed Match: \$43,000

#### DLT grants require a 15% minimum match

To calculate the match percentage:

$$\text{Matching contributions} \div \text{Proposed Grant Amount} \times 100 = \text{Match \%}$$

$$(\$43,000 \div \$160,214) \times 100 = 26.84\%$$

#### Calculation of 10% Rule for Category 3 Costs (See p. 20 of the *Application Guide*)

There are three categories of eligible costs. The third category includes things like training and the development of instructional programming. Category three costs are limited to 10% of the grant request and/or match. The budget above does not include any of these costs. If it did, the costs could be limited as follows:

$$10\% \text{ of the Grant Request} = \$16,021$$

$$10\% \text{ of the match} = \$4,300$$

### D-3. Financial Information and Sustainability

Provide a narrative description that demonstrates your project's feasibility. Address the technical and programmatic expertise necessary to undertake and complete the project. Show how this expertise will ensure a sustainable project. You should also address the resources devoted to the project, and whether these resources will sustain the project. **Applications submitted without a *Financial Information and Sustainability* Section cannot be evaluated and will be returned as ineligible.** Place this section under Tab D-3 of your application. Your narrative should include all assumptions and the following information:

1. A description of the project's revenues and expenses.
2. Evidence of cost sharing arrangements among hub and end-user sites, if applicable.
3. Identification of any other items that may affect feasibility or sustainability of the project.
4. A demonstration that the benefits, including cost savings, of the DLT grant pass through to those receiving services from the project.

### D-4. Statement of Experience

Provide a written narrative describing your organization's demonstrated capability and experience in operating an educational or health care endeavor and any project similar to the proposed project.

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Experience in a similar project is desirable but not required. If your organization does not have experience with projects similar to the proposed project, you should explain how you plan to overcome this. Place this narrative under Tab D-4 or your Application.

### E. Objective Scoring Supporting Documentation

#### E-1. Rurality

Rurality is the term we use to describe how rural your DLT project's service area is. We ask you to present an estimated *Rurality* score in your application. A *Rurality Worksheet* is provided in the *Toolkit* for this purpose. The Agency will review your estimate and correct it if necessary.

This category is scored on average population as described below:

- Your project must score at least 20 points to qualify for the DLT Program competition.
- Your project may obtain a higher score, up to a total of 45 points, depending on the relative rurality of the project service area.

**We use the following definitions to evaluate rurality:**

1. **EXCEPTIONALLY RURAL AREA – 5000 and under.** Any area of the United States not included within the boundaries of any incorporated or unincorporated city, village, or borough having a population in excess of 5,000 inhabitants. This includes cities, villages, and boroughs of 5000 and under as well as the areas that are outside of any city, village, or borough.
2. **RURAL AREA – 5,001-10,000.** Any area of the United States included within the boundaries of any incorporated or unincorporated city, village, or borough having a population over 5,000 and not in excess of 10,000 inhabitants.
3. **MID-RURAL AREA – 10,001-20,000.** Any area of the United States included within the boundaries of any incorporated or unincorporated city, village, or borough having a population over 10,000 and not in excess of 20,000 inhabitants.
4. **URBAN AREA - Over 20,000.** Any area of the United States included within the boundaries of any incorporated or unincorporated city, village, or borough having a population in excess of 20,000 inhabitants.

<u>Site Location</u>	<u>Points</u>
Exceptionally Rural Area	45
Rural Area	30
Mid-Rural Area	15
Urban Area	0

Enter each hub, hub/end-user and end-user site on the *Rurality Worksheet*. Although pure hubs are not included in the calculation, the Agency will need this data to recalculate the score in the event that we determine that a site you designated as a pure hub is actually a hub/end-user. Place the sites in the same order as on the *Site Worksheet* and *NSLP Worksheet*. Use the table above (it is also on the

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*Rurality Worksheet*) to determine *Rurality* points for each site. To document the numbers, attach 2000 Census data for each site's community behind the *Worksheet*. Population data is available from the Census at this website:

[http://factfinder.census.gov/home/saff/main.html?\\_lang=en](http://factfinder.census.gov/home/saff/main.html?_lang=en)

At the *Fact Finder* page, for each site, enter the community and state in which that site is located. This will bring up a *Fact Sheet*. Near the top of the *Fact Sheet*, you will see the name of the town you looked up, followed by a designation (town, city, CDP, etc.). Record that designation on the *Worksheet* in the space provided.

Example: Look up Clearfield, Pennsylvania. On the intermediate screen, click "Clearfield borough." This retrieves the *Fact Sheet* for the "town" of Clearfield, Pennsylvania, which is legally a borough. Please note, these designations are determined by State law, and the political subdivisions (towns, cities, villages, etc) in consultation with the Census.

On the right side of the *Fact Sheet*, you will see a link to "Reference Map." Attach printouts of the *Fact Sheet* and reference map for each site behind the *Rurality Worksheet* under Tab E-1 of your application. On each site's map, pencil in the actual location of that site.

If outside a place designated by the census, indicate this on the *Worksheet*. Attach a *Fact Finder* printout and reference map for the closest place that is designated by the census. Pencil in your site's location in reference to that place and make certain that you have that site's latitude and longitude on the *Site Worksheet* (attachment to the SF-424 under Tab A) so that we can verify the information. **Any end-user site for which the applicant does not provide census documentation will be evaluated as urban (zero points).**

Remember that your sites must be consistent throughout the application including on the *Rurality* and *NSLP Worksheets*, the *Site Worksheet* attachment to the SF-424, the *Executive Summary*, the *Telecommunications System Plan*, and the *Budget*. **If the end-user sites are not consistent, your application cannot be evaluated and will be returned as ineligible.**

After you have entered all your sites on the *Rurality Worksheet*, calculate your estimated score by taking the average of the sites you designated as hub/end-users and end-users. Do not include pure Hubs in the calculation. Remember that we will evaluate sites you designate as pure hubs to determine if they are also end-users. If we make that finding, we will recalculate your score on that basis.

In cases where the end-user site is not fixed (such as tele-monitoring equipment moved from home to home by a visiting nurse association or a health screening van operated by a hospital), please contact the Agency for assistance in determining your *Rurality* score.

**Excluded Sites** - Your project may benefit sites that would not score well in the *Rurality* and *NSLP Categories*. Should you wish to exclude such sites from the calculations, show the excluded sites separately on the *Worksheets* with a clear indication that they have been excluded from the calculations. **In such cases, all funds that benefit the excluded sites must come from other funds. None can be included in the grant or match budget. (See page 24 for detail on Apportioning DLT Project benefit.)**

### Example of Rurality Calculation for a Project:

Center Town Hospital proposes to share teleradiology services among and between itself, two medical centers, and two clinics. The hospital will be the electronic hub but it is designated a hub/end-user

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because patients there will interact with radiologists from Middleburg and Fall City Medical Centers. This example project would receive 27 points ( $135 \div 5 = 27$ ) the average of all end-user sites. (Remember, to be eligible to apply for a grant, the project must score at least 20 *Rurality* points.)

	<b>Site Name</b> (Same as <i>Site &amp; NSLP Worksheets</i> )	<b>Site Type</b> (Hub, etc.)	<b>Census Designation</b>	<b>Census Population</b>	<b>Rurality Points</b>
1	Center Town Hospital	Hub/End-User	City	26,403	Zero
2	Faryer Clinic	End-User	Borough	3,298	45
3	Middleburg Medical Center	Hub/End-User	City	12,398	15
4	Fall City Medical Center	Hub/End-User	Town	7,390	30
5	Strinic Clinic	End-User	No town	N/A	45

<b>Applicant's Estimated <i>Rurality</i> Score</b> (Sum of Rurality Points $\div$ # of End-User Sites)	<b>27</b>
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<b><i>Rurality</i> Score</b> (For Agency Use)	
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### E-2. National School Lunch Program (NSLP)

This criterion uses National School Lunch Program (NSLP) eligibility statistics as a way to measure the financial need of the beneficiaries of the DLT project. We ask you to present an estimated *NSLP* score in your application. An *NSLP Worksheet* is provided in the *Toolkit* for this purpose. The Agency will review your estimate and correct it if necessary. For purposes of the DLT Program, the NSLP percentage reflects the percentage of students **eligible** for reduced-price or free lunches for each area served by a hub/end-user or end-user site, **not the percentage of actual participation**.

#### Background of the NSLP

The NSLP is a Federally assisted meal program providing nutritionally balanced, low-cost or free lunches to millions of children in thousands of schools and childcare institutions. School districts and independent schools in the program receive cash support and donated commodities from USDA for each meal they serve. In return, they must serve lunches that meet Federal requirements and they must offer reduced-price or free lunches to eligible children. The Food and Nutrition Service of USDA administers the program at the Federal level. At the State level, state education agencies and local school districts usually administer the NSLP.

#### Determining the NSLP Percentage

The *NSLP* score is based on the average of the relevant NSLP eligibility percentage for all hub/end-user and end/user sites. Use the following guidelines in preparing the *NSLP Worksheet*.

Does the applicant use specific school or district-wide statistics?

1. If the hub/end-user or end-user site is a **public school or non-profit private school of Kindergarten through Grade 12 (K-12)**, use the eligibility percentage for that **specific school**.

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2. If the hub/end-user or end-user site is **any other entity** (college, private for-profit school, library, hospital, clinic, etc.) use the NSLP eligibility score for the **school district** in which the site is located.

How does the applicant enter data on the *NSLP Worksheet*?

1. Enter each hub, hub/end-user, and end-user site onto the *NSLP Worksheet* placing them in the same order as on the *Site Worksheet* and *Rurality Worksheet*. Identify the site by type. Provide data for hubs. Although pure hubs are not part of the calculation, the Agency will need this data if it determines that the site is actually a hub/end-user. Place pure hubs at the beginning of the list separated by a space and do not include them in your NSLP calculations as described below.
2. Your sites must be consistent throughout the application. **If the end-user sites are not consistent, your application cannot be evaluated and will be returned as ineligible.**
3. Applicants **must document** each site's NSLP percentage with a certification from the organization that administers the NSLP in your area that the data is accurate and the most recent available. **Any site without verifiable documentation will be evaluated at zero percent eligibility.** Provide contact information for that organization on the *NSLP Worksheet*. Some official NSLP data is posted on state and/or local governmental websites. If so, you may provide printouts from these official sites and enter the URL in the contact column. Data from unofficial sites, such as commercial websites that report information about schools, is not acceptable. Place all NSLP certifications and any other documentation behind the *NSLP Worksheet* under Tab E-2 of your application.

How is the score calculated?

1. The "Average NSLP" entered on the *NSLP Worksheet* is the rounded average of the relevant NSLP eligibility percentages for all the hub/end-user and end-user sites. When calculating the average, use the eligibility percentages exactly as received from the source of the NSLP data. In other words, if the administrator of the lunch program provides data to two decimal places, enter that data for each site on the *NSLP Worksheet* to two places.
2. **Use rounding:** After calculating the average, round the result to an integer in the standard manner. (If less than 0.5, round down - 39.379% rounds to 39%. If 0.5 or greater, round up - 39.571% rounds to 40%.) Enter the rounded average in the "Average NSLP" block on the *Worksheet*.
3. Use the decision table below (it also appears on the *NSLP Worksheet*) to enter the score in the "Applicant's Estimated NSLP Score" block.
4. As with the *Rurality* calculation, in cases where the end-user sites are not fixed (such as tele-monitoring equipment moved from home to home by a visiting nurse association or a health screening van owned by a hospital), please contact the Agency for assistance in determining your *NSLP* score.

Decision Table	
<u>NSLP Percentage:</u>	<u>Points</u>
NSLP < 25%	0
25% ≤ NSLP < 50%	15
50% ≤ NSLP < 75%	25
75% ≤ NSLP	35

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**Excluded Sites** - Your project may benefit sites that would not score well in the *Rurality* and *NSLP Categories*. Should you wish to exclude such sites from the calculations, show the excluded sites separately on the *Worksheets* with a clear indication that they have been excluded from the calculations. **In such cases, all funds that benefit the excluded sites must come from other funds. None can be included in the grant or match budget.** (See page 24 for detail on apportioning DLT project benefit.)

### Example of *NSLP* Calculation for a Project:

Central Community College will link itself, a community library, and two schools to the Deepwoods Nature Center for the purpose of receiving environmental distance learning courses via teleconference. The Deepwoods Nature center is the source of the distance learning content and does not receive any content from the other sites nor will it use equipment placed at Deepwoods to benefit users not shown on the *Worksheet*. As such, the applicant considers it a pure hub and does not use it in the calculation. The applicant correctly provides the *NSLP* data anyway so that if the Agency finds that the site is an end-user, it can recalculate the score. Central Community College will be the electronic hub of the network, but it will receive distance learning content from the Nature Center so it is a hub/end-user. The average of the four relevant percentages is 36.125% which rounds to 36%. The applicant looks at the decision table and enters 15 points in the “Applicant’s Estimated *NSLP* Score” block.

	<b>Site Name</b> (Same as <i>Site &amp; Rurality Worksheets</i> )	<b>Site Type</b> (Hub, etc.)	<b>Total Students</b>	<b>% Eligible</b>	<b>Contact Information</b> (Name & phone or URL)
1	Deepwoods Nature Center (use school district data)	Hub	347	37.1	State <i>NSLP</i> Office Ms. Janet Cooper 555-555-5634
	(Deepwoods not included in score)				
2	Central Community College (use school district data)	Hub/End-User	3200	24.2	State <i>NSLP</i> Office Ms. Janet Cooper 555-555-5634
3	Kingstown Library (use school district data)	End-user	1200	28.9	State <i>NSLP</i> Office Ms. Janet Cooper 555-555-5634
4	Farwell High School (use specific school data)	End-user	235	34.1	State <i>NSLP</i> Office Ms. Janet Cooper 555-555-5634
5	Clarksburg High School (use specific school data)	End-user	432	57.3	State <i>NSLP</i> Office Ms. Janet Cooper 555-555-5634
<b>Average <i>NSLP</i></b> (Sum of <i>NSLP</i> Percentages ÷ # of Sites & then rounded to an Integer)				<b>36 %</b>	

<b>Applicant’s Estimated <i>NSLP</i> Score</b> (Enter Points from Scoring Table)	<b>15</b>
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<b><i>NSLP</i> Score</b> (for Agency Use)	
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### E-3. Leveraging (Matching Funds and other Assistance)

The *Leveraging* score is based on the eligible matching fund contribution of the applicant and others. The applicant proposes a match. The Agency determines what is eligible. Based on what you believe to be eligible, we ask you to present an estimated *Leveraging* score in your application. The Agency will correct your estimated score if necessary.

This criterion is intended to measure the level of commitment in the local community for the project. A DLT project that is widely supported within a rural community is more likely to be strong and successful.

Eligible purposes for matching funds are identical to eligible purposes for a DLT grant. For a line item to be eligible in full for match funding, the application must demonstrate:

1. That none of the use is for ineligible purposes,
2. That none of the use is to benefit sites not shown in the scoring, and
3. That the predominant purpose (over 50% of use) of that line-item is for purposes which meet the DLT grant definition of distance learning or telemedicine as described in the application.

If any part of a line item is for ineligible purposes, the line item cannot be budgeted for match. If not the predominant purpose (50% or more of use) or if some of the use will benefit sites not shown in the scoring, the applicant can propose that a portion of the line item be budgeted for match. The portion eligible for match is that attributable to the sites on which the project is scored. The balance must come from other funds. **(See page 24 for detail on apportioning DLT project benefit.)**

- To be eligible, **items proposed as match must be integral to the project** in exactly the same way as items the applicant proposes to obtain with the grant. Keep in mind that the DLT Program is not simply a technology support program. The purpose of matching funds is not to give an advantage to institutions for general technology purchases that are not part of the project and which they would have made in any case such as annual computer purchases. It is intended to build distance learning and/or telemedicine systems by encouraging support for a project that would not exist if not for the grant.
- Your project must have non-Federal matching funds equal to at least 15% of the DLT grant requested to qualify for the DLT Program. The minimum match receives no points. Matches that exceed 15% can earn points on a sliding scale.
- Frequently, a complete project requires items that are ineligible as grant or match. Although not eligible as matching funding, financial support and in-kind contributions from the local community (other than the applicant) that goes toward such items shows evidence of the commitment of the community to the project. Detail this support in the *Budget* and provide evidence of this type of support under F-1, *Needs and Benefits*.

#### Sources of Eligible Matching Funds:

- The Applicant. During this discussion of matching funds, when we speak of the applicant, we include the formal applicant (the organization that signs the SF -424) and also those entities that participate in the project as a hub, hub/end-user and or end-user site regardless of whether grant or match funds are budgeted for that site.



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- Parties not participating in the DLT project either as a hub, hub/end-user or end-user site or as manufacturer, vendor, or service provider that will benefit from the grant through the prospective sale of goods or services. Parties not participating in the project include donors such as individuals, community groups, state and local governments, and charities. It also includes businesses whose products or services will not be purchased for the project. In general, federal funds cannot be used for match. An important exception is funding from the **Appalachian Regional Commission (ARC)**. Please see [www.arc.gov](http://www.arc.gov) for a list of eligible counties under the *Counties in Appalachia* heading. Applying ARC funds as a match requires coordination with ARC State Program Managers and States in the Region. See the *ARC Members, Partners and Staff* link also at [www.arc.gov](http://www.arc.gov) for ARC State Program Managers contact information. DLT applicants considering an ARC match are strongly encouraged to contact their ARC State Program Manager(s) early in the process to explore the feasibility of an ARC grant.

### Sources that Cannot Be Considered for Matching Funds

- Except as provided for under Federal law, funds from other Federal sources cannot be used for matching.
- Manufacturers, vendors, and service providers whose equipment or services will be used as part of the DLT Project.

**Note:** The regulation (7 CFR 1703) specifically states that in-kind items must have an “established monetary value” and that “manufacturer’s or service provider’s discounts are not considered in-kind matching.” Because the purposes for grant and match are identical, a discount cannot be considered a cash match either. The reason for not considering discounts is that, in the world of telecommunications, list prices are nominal. They are not an established monetary value. Actual prices are flexible and it is impossible for us to evaluate whether a discount has an actual established monetary value. The same logic applies to any proposed match (cash or in-kind) from a manufacturer, vendor, or other service provider that stands to benefit from the grant or match funds through the prospective sale of equipment or services. A match from one of these entities is indistinguishable from a discount and impossible to evaluate as to its value. As a consequence, we will not accept cash or in-kind matching funds from manufacturers, vendors, or service providers whose equipment or services will be used in the project.

### Types of Matching Funds:

**Cash:** The regulation conveys explicitly the expectation that cash will be the usual method of leveraging when it states that “matching contributions must generally be in the form of cash.” Cash is unambiguous and can be applied to any eligible item in the budget. During review of an application, if the Agency were to determine that some items in the budget are ineligible, the removal of those items would not lower the dollar value of the applicant’s proposed match.

**In-Kind Match:** In-kind matches are also acceptable under the regulation, but we do not recommend that the applicant propose them. In-kind matches must be closely scrutinized to determine if they have the same relevance and credibility as a cash match. Remember, an in-kind match must be integral to and necessary for the DLT project, not simply a technology purchase made in the same timeframe. Unlike cash, in-kind matches are tied directly to the eligibility of the proposed in-kind item. Should

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we determine that the item is not eligible, the item would be removed from the grant and match budget and the proposed match would disappear with it. This may lead to a lower *Leveraging* score than you expected to earn. If the reductions were to lower your eligible match below 15%, your application would be ineligible for the DLT competition.

As a practical matter, there is no compelling reason for an applicant to propose an in-kind match. Because items acquired before the application deadline are not eligible for grant or match, any items that the applicant would propose as an in-kind match must be obtained with cash after the application is submitted. In other words, when an applicant proposes an in-kind match, it is in effect committing cash with which the proposed in-kind item will be purchased at some point after the deadline.

Proposed in kind matches from organizations not affiliated with the applicant and whose products or services will not be purchased as part of the DLT project are acceptable. Remember that the established monetary value of any proposed in-kind match must be demonstrated through evidence such as actual selling price. List prices and valuations assigned outside of the marketplace by the donor or others are not evidence of an established monetary value.

### Funding Commitments

**The applicant must document the project's proposed matching funds.** Provide that documentation in the form of a letter from the donor organization. Include a letter from each donor and place those letters behind the *Leveraging Worksheet* under Tab E-3. **The letter must:**

1. **Be signed by a person capable of obligating the donor organization.** Include the printed name and title of the person signing the letter. The letter must clearly indicate the name of the donor organization and state that the funds are committed to the proposed DLT project as described in the *Budget* and elsewhere in the application.
2. If the match is cash, state the amount.
3. If the proposed match is in-kind, give a complete description of the donation identified by the line-item number in the budget and the expected date of purchase. Keep in mind that items acquired before the application deadline are not eligible for grant or match. Also, demonstrate how the established monetary value of the item was determined.

**Proposed matches must be consistent on the SF-424, the *Budget*, and the *Leveraging Worksheet*. Proposed matches not documented under Tab E-3 with a letter as described above will not be credited in the *Leveraging* score.**

### Criterion Point Value and Allocation

Up to **35 points** are available under this criterion. Points are awarded as follows:

<u>Percentage of Eligible Match Compared to Grant Request</u>	<u>Points</u>
15% < Match % ≤ 30%	0
30% < Match % ≤ 50%	15
50% < Match % ≤ 75%	25
75% < Match % ≤ 100%	30
Match > 100%	35

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**Example:** Applicants receive different scores based on their proposed matching funds:

	<u>Grant Requested</u>	<u>Matching Funds</u>	<u>% of GRANT Funds</u>	<u>Points Scored</u>
Applicant #1	\$100,000	\$15,000	15%	0
Applicant #2	\$100,000	\$45,000	45%	15
Applicant #3	\$100,000	\$60,000	60%	25
Applicant #4	\$100,000	\$80,000	80%	30
Applicant #5	\$100,000	\$105,000	105%	35

### E-4. USDA Empowerment Zones/Enterprise Communities And Champion Communities (EZ/EC)

This criterion documents project participation in USDA's Empowerment Zone/Enterprise Community (EZ/ECs) and related Champion Community programs, based on end-user site locations within these designated areas. We ask you to present an estimated *EZEC* score in your application. An *EZ/EC Worksheet* has been provided in the *Toolkit* for this purpose. The Agency will review your estimate and correct it if necessary.

#### EZ/EC Points

Up to **15 points** may be awarded for this criterion. If your project has:

<u>At Least 1 End-user Site Located in a USDA:</u>	<u>Your Application will Receive</u>
EZ/EC Community	10 points
Champion Community	5 points

Check these Web pages to find out whether any of the communities in your project are located in one of the EZ/EC or Champion Communities:

**EZ/EC:**     [www.ezec.gov/Communit/ruralezec.html](http://www.ezec.gov/Communit/ruralezec.html)  
**Champion Communities:**     [www.ezec.gov/Communit/champions.html](http://www.ezec.gov/Communit/champions.html)

Ten points can be earned if at least 1 end-user site is within an EZ/EC. (Additional sites located in that or another EZ/EC do not earn additional points. If you have two or more EZ/EC Communities, your application still earns only ten points.) Five points can be earned if at least 1 end-user site is in a Champion Community. (Again, additional sites located in that or another Champion Community do not earn additional points.) The maximum score an applicant can earn in this category is fifteen points for having at least one site in an EZ/EC and another site in a Champion Community. Remember that the two categories are mutually exclusive. There are no areas that are both an EZ/EC and a Champion Community so one site can not earn all fifteen points.

Any end-user site shown on the *EZ/EC Worksheet* must be consistent with the sites shown elsewhere in the application such as on the *Rurality* and *NSLP Worksheets*. To document the EZ/EC or Champion Community status of the sites, place printouts from the USDA websites shown above behind the *Worksheet* under Tab E-4. **If not documented under Tab E-4, no points will be awarded in this**

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**category.** USDA EZ/EC designations use Census tracts. The Census tract information for each EZ or EC is available at the Web page listed above. You **must** supply the Census tract information if you wish to claim either EZ or EC status.

For further information on the EZ/EC and Champion Community Programs, contact:

USDA Office of Community Development  
1400 Independence Ave. SW Stop 3203  
Washington, DC 20250-3203  
202-619-7980 or 800-645-4712  
www.ezec.gov  
Email: ocd@ocdx.usda.gov

### F. Subjective Scoring Supporting Documentation

In the four subjective scoring categories (*Additional NSLP, Needs and Benefits, Innovativeness and Cost Effectiveness*), scoring is relative, not absolute. The scoring mechanism is intended to create a ranking of projects within these categories. This means, for example, that an applicant's score is dependent on the qualities of documentation presented by all other applicants. Applications tend to improve from year to year, so an applicant who uses the same quality of documentation year after year can expect to receive progressively lower scores.

Provide self-contained arguments in each of the four subjective scoring categories. Reviewers will not consider information outside a category's write-up. For example, all information that the applicant believes could support its *Needs and Benefits* score must be under Tab F-2 of the application.

Each of the four subjective scoring categories assesses a unique characteristic of the project which is not captured by the other scoring categories. For example, *Needs and Benefits* assesses the specific educational or health care needs, not the general economic needs, of a project's beneficiaries. Economic need is captured by other scoring categories. *Needs and Benefits* also does not attempt to assess the *Rurality* of a project's area, although an applicant can argue that an unusual rural characteristic of its area contributes to its needs in a way that does not affect rural areas in general.

Generally speaking, applicants who apply to the DLT Program are rural and share relatively high levels of need. For a project to receive a competitive score in this program, the applicant must successfully demonstrate that it exceeds the norm for rural projects in a particular category.

Applicants are reminded that this is a national competition. Arguments showing only comparisons with other areas *in a state* are not compelling in this program. Comparative data should be both local and national in coverage.

In presentation in each of the four subjective categories, statements supported by numerical data receive the higher scores. Statistics about a project should be compared to national averages and ranges. These comparisons help reviewers understand statistics presented about a project. Presenting a spreadsheet showing, for example, statistics about end user sites, with national references, is an especially effective way to support subjective scoring arguments.

## F-1. Additional NSLP

The primary measure of general economic need for an area served by a proposed project is based on the National School Lunch Program (NSLP as described above under E-1) and is captured in the *NSLP* score. **The *Additional NSLP* category is intended to provide an opportunity to correct for an *NSLP* score that understates the relative economic need of a project's beneficiaries.**

If an applicant has an NSLP eligibility below 50%, and the applicant can demonstrate that the area it would serve, or the subset of the public it would serve, is not accurately captured by the NSLP percentage, it may request *Additional NSLP* points. **Based on the strength of the evidence provided by the applicant, the Agency may award up to ten points in this category.**

To score well, it is not sufficient to demonstrate, for example, above average unemployment compared to the state average without putting that statistic into context. The key to scoring points in this category is providing a convincing demonstration that the economic plight of the applicant's target beneficiaries is more challenging than that of other areas with similar NSLP scores.

**To gain points in this category, the applicant must specifically request them in Section F-1 of the Application (See *Additional NSLP Worksheet* in the Toolkit.).**

## F-2. Community Needs and Project Benefits

This criterion measures the extent to which the proposed project meets the goals and objectives of the DLT Program. We may award up to **45 points** in this category. You must **document the specific needs of the community and how the proposed project will address those needs**. You must also document evidence of support from the community.

**Tip:** Remember, this category is not intended to capture the general economic need of the area served by the project. That need is captured by the *NSLP* score, and, if applicable, *Additional NSLP* scores described above under E-2 and F-1. While a brief overall sketch of the local economy and geography is useful for context, extended discussions of the overall economic health of a region generally do not help tell the story of the specific needs to be addressed by your project.

### Define the Community

In some cases, projects propose serving specific communities – the entire population of a town; all adults in several towns; or students in a particular school district. In others, the community to be served is a subset of the entire community. Whatever the nature of the community, your narrative should give us a clear picture of it.

### Need for Services

Clearly state the economic, educational, or health care challenges facing the project's respective communities, and provide documentation that explains the challenges. Use verifiable data and statistics to substantiate and quantify these challenges. **Demonstrate how the proposed project will help resolve these challenges** and why the applicant cannot afford the project without a grant.

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Document support for the project provided by experts in the educational or health care fields. Remember that the more specific the expert opinion is to your project, the more compelling it is. Substantiate the underserved educational or health care nature of the project's proposed service area; and **justify, explain and document the specific educational or medical services that will provide direct benefits to rural residents.**

You should demonstrate that rural residents and other beneficiaries want the educational or medical services from the project. In other words, **show that the reason for the project is to meet local community needs, not simply to install technology that could possibly benefit the community.** Willingness of local end-users or community-based organizations to contribute to the costs of completing, operating, or maintaining the project is a strong indication of community support. Documentation of support includes letters of financial and non-financial commitment towards the project from local organizations.

Address the participation by local residents and organizations in planning and developing the project. Include evidence of this participation in your application. Examples of evidence of community involvement include community meetings, public forums and surveys.

The Agency will also consider the extent to which the application is consistent with the State strategic plan prepared by the USDA Rural Development State Director. (See IV-G, *Contact With USDA State Director.*)

### Benefits Derived from Services

In addition to documenting the need for services, describe how the project would assist the community in solving these challenges. **Document the specific benefits of your project and quantify them in terms of expected outcomes.** Tie the benefits of your project DIRECTLY to the stated needs you intend to address. Provide measurable targets or goals such as estimates of the number of people that will benefit from the project.

**Tip: Do not address benefits to your organization in this section, unless they are directly tied to community benefit.** Benefits of the project that accrue primarily to your organization should be addressed under *Cost Effectiveness*.

### Examples:

For a distance learning project that serves secondary schools, provide the **number of schools and students** that will benefit. You should also **document** all other benefits provided by the project with quantifiable goals when possible such as:

- four-year foreign language availability up from 300 to 1200 students
- organic chemistry offered for first time to entire district
- expanded educational facility use, like evening vocational training
- reducing the dropout rate from 17 to 12%

For a telemedicine project that serves a consortium of hospitals, provide the **number of health care facilities and the potential number of patients** to benefit. You should also **document** all other benefits provided by the project such as:

- time and monetary savings to the community from telemedicine diagnoses
- 400 patients receiving at-home monitoring
- 4 doctors retained in your community



- lives saved due to prompt medical diagnosis

Document ancillary benefits or multiple uses that create value in the rural communities which the project will serve. Examples include training, information resources, library assets, adult education, lifetime learning, community use of technology, jobs, and connection to the local and global information networks. If applicable, you should address particular community problems such as out-migration and the extent to which the project would reduce or prevent population loss.

**Tip:** Do not restrict your supporting documentation to the guidance and examples cited here or use them as a template for your application. The material in this section is intended only to provide a starting-point. Neither should you think that gaining a grant requires special expertise or that you will be more successful if you model your application on that of a previously successful applicant. You, the applicant, are the expert about the needs of your community and how your project will meet those needs. Use that expertise to paint a compelling picture of what your project can accomplish.

### F-3. Innovativeness of the Project

This criterion assesses how the objectives of the proposed project are met in new and creative ways. Up to **15 points** may be awarded for this criterion. There are two obvious ways that a distance learning or telemedicine project can be innovative, *i.e.*, technical and in application. Technical innovation is rare but possible in rural distance learning and telemedicine projects. Most of the innovativeness we encounter is in the application of state-of-the-art technologies to solve problems in new ways.

#### Innovation Issues

Technical innovativeness occurs where a new type of device is used to provide a capability. Examples of innovative technologies are the mobile presentation of a capability that previously had only been available in fixed locations, or where a new transmission medium (such as the Internet) is used to deliver data, replacing leased or dial-up telecommunications facilities. We expect applicants to use state-of-the-art equipment, so doing this alone does not contribute to a high score in this category. Technical innovativeness can be risky, so wherever it is truly present, the applicant should address any risks inherent in the approach.

Application innovativeness occurs where a tried and true technology is applied in a unique or unusual way to provide a new capability, or to provide a familiar capability in a new way. Presumably, all proposed projects will provide new capabilities to their beneficiaries, so an application with this characteristic alone would not earn a high score in this category.

The application should explore the following sources of evidence of innovativeness:

- Does the project employ technical innovation?
- Are there educational and medical programmatic innovations proposed?
- Does the project use unique adaptations of technology to better meet the special needs or circumstances of the project's proposed service area or beneficiaries?
- Does the project have the potential to influence or promote changes in how distance learning or telemedicine services can be delivered in other areas?
- Does the project use existing resources (telecommunications facilities) in a new way?



**Tip:** The best examples of innovativeness will come from the imagination of applicants and cannot be suggested here. Technical and application innovativeness are by no means the only forms of innovativeness that will be credited by the reviewer.

#### **F-4. Cost Effectiveness of the Project**

This criterion evaluates the efficiency with which the proposed project delivers educational and medical benefits to beneficiaries. Up to **35 points** may be awarded for this criterion. Generally, efficiency of delivery is accomplished by studying every technology option, considering the use of available resources and using them wherever possible, creating a project that not only accomplishes the primary service delivery, but accomplishes many other functions as well. The emphasis in this criterion is *value*, not lowest cost alone.

##### **How is Cost-Effectiveness Evaluated?**

Scores are based on:

1. The extent to which your organization considered alternative technological options for delivering the proposed services. The applicant must provide sufficient documentation reflecting accepted analytical and financial methodologies to substantiate its choice of technology as the most cost effective option. Cost information such as quotations from multiple vendors that you provide in the TSP and Budget is useful for demonstrating cost effectiveness.
2. The extent to which the project uses existing telecommunications transmission facilities. Supporting information may include evidence of considerations of the use of existing facilities, agreements between the applicant and other entities for sharing transmission facilities, and all other measures taken to lower the project's costs for using such facilities.
3. The extent to which the project will use existing networks at the regional, statewide, national or global levels. Most projects connect to the Internet, so this use of an existing network has a minimal effect on an application's score.
4. The extent to which the requested financial assistance will extend or enhance the benefits of the project.
5. Whether buying or leasing specific equipment is more cost-effective.
6. Whether a proposed project will accomplish purposes beyond the primary objective. Although the applicant is asked to specify whether distance learning or telemedicine is the predominant use of the project, the facilities funded by the project may benefit the community in other ways. Generally, a multi-use facility will be a greater asset to a rural area than a single-use facility if the two are equally efficient at performing the project's primary function.
7. Whether the proposed project creates the appropriate level of capability to reasonably meet the community's needs. This refers to a matching of project capability to the defined need.

**Tips:**

- Unsupported assertions of cost effectiveness are not useful. A spreadsheet showing initial cost and annual costs of all considered alternative technologies and implementations can offer strong support for a good score in this category. Don't forget to explain all assumptions and sources for cost information used in the comparison.
- Be sure that the facts presented are meaningful to the reviewer. For example, a statement that a telemedicine project will provide the capability for 42,000 rural residents to have access to teleradiology facilities at a cost of 29¢ per resident is not meaningful, but a statement that the teleradiology project will reduce the cost to a rural resident of a chest x-ray from \$125 to \$20, and will save the patient 6 hours of driving time, is meaningful.

## **G. Contact with USDA State Director**

You must provide evidence that your organization has consulted with the USDA State Director for Rural Development about the availability of other sources of funding available at the State or local level. Include this evidence as part of your application.

You must also provide evidence from the State Director for Rural Development that your application conforms with the State strategic plan as prepared under section 381D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 *et seq.*). Not all states have a strategic plan, so you should indicate if such a plan does not exist. See Section IV, F-2, *Community Needs & Project Benefits*, for our use of this evidence in scoring your application. Include the evidence in your application.

**Note:** Applicants should contact the USDA State Director as early as possible in the application process. You can find a listing of the State Rural Development Offices here:

[www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html)

## H. Certifications

The *Toolkit* contains certification forms to demonstrate compliance with other Federal statutes and regulations. **Applications submitted without a non-duplication certification cannot be evaluated and will be returned as ineligible.**

- Architectural barriers
- Flood hazard area precautions
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
- Drug-free workplace
- Debarment and suspension rules
- Lobbying for contracts, grants, etc.
- Non-duplication of services
- Environmental impact

## Section V - Putting it all Together

Assemble and tab your grant application in the following order, which is the same order as described under Section IV - *The Complete Application*. Material not located under the proper tab will not be considered by reviewers. If material is relevant under more than one tab, it should be repeated under each relevant tab. Any supplemental information that the applicant wants to submit should be included under the relevant tab. The *Toolkit* provides forms, worksheets, sample certifications, and Web resources to help you find information and present it in your application.

TAB	ITEM
A	SF-424 – Application for Federal Assistance
B	Legal Eligibility
C	Executive Summary
D.	Project Information
D-1	Telecommunications System Plan and Scope of Work
D-2	Budget
D-3	Financial Information and Sustainability
D-4	Statement of Experience
E.	Objective Scoring
E-1	Rurality Calculation Worksheet and Supporting Documentation
E-2	NSLP Worksheet and Supporting Documentation
E-3	Leveraging Worksheet and Evidence of Funding Commitments
E-4	EZ/EC Worksheet and Supporting Documentation (If Applicable)
F.	Subjective Scoring Supporting Documentation
F-1	Request for Additional NSLP Points Worksheet (If Applicable)
F-2	Need for Services and Project Benefits
F-3	Innovativeness of the Project
F-4	Cost-Effectiveness of the Project
G.	Contact with USDA State Director—Rural Development
H.	Certifications